Trust and Loan Company Review Pages 13-18

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The Nation's Business

Not Labor Leaders But Gangsters

At least 200,000 men were idle in the Ford plants throughout the United States early this week as a result of the C. I. O. strike. Another army was doing nothing at the International Harvester factories. When workers at strike-blocked smaller concerns throughout the country were added and also those in affiliated industries hit by the stoppage of supplies to or from the strike-bound plants, more than half a million workers have been involved.

The tragedy is that practically all the work affected is connected with the war. Flow of urgently needed equipment for U. S. defense or aid to Britain has in many plants come to a dead stop.

No official estimate of losses is yet forthcoming from Washington but even a schoolboy must realize that the total will compare with that involved in a staggering military defeat. Another fortnight of strikes and the loss in equipment may equal that which the British were forced to destroy or abandon at Dunkirk. Loss of war production from strikes in the United States is said greatly to exceed lost output in England due to air raid alarms and destruction.

* * *

If the suspicion that German agents are helping to foment the disturbances proves as well founded as was the case in the first Great War, then Hitler must be gratified indeed with his progress so far in the Battle of America.

In this fomenting of sabotage Hitler has an effective ally in Josef Stalin, whose world-embracing red network of Communist agents, propagandists and saboteurs has been made available to the Nazis.

But there is more than Nazi and Communist activity behind these strikes. At least an equal factor is the rise of a powerful, gangster-type of "labor" leader, who borrows his methods from the racketeers. These men have no more sympathy for the aims and aspirations of the working man they profess to represent than Al Capone had for the florists or laundrymen of Chicago. They bear no resemblance to Sam Gompers, Ernest Bevin or Tom Moore. They are out solely for personal power and profit. They use gangs of thugs to start strikes and to set one honest worker slugging another in murderous riot. The strikes are designed simply as a bludgeon to force workers into subjection so that these "leaders" can mulct jobholders of enormous fees for joining unions, and indeed for the privilege of working at all.

* * *

Fortunately there are indications that the end of the trouble is in sight. American public opinion is becoming highly incensed at the type of labor agitator who sees in his nation's peril only opportunity for grasping power, and with it a rich new source of exorbitant levies on labor.

Previously amazingly indifferent to the squabble between the A. F. of L. and the C. I. O., the American public is now aroused. A recent Gallup poll indicated that 52% of a representative cross section of the American people blamed strikes as the chief reason for delay in defense work. Some 68% believed that labor unions were hindering not helping the nation's effort to arm. Some 85% favored compulsory arbitration of labor disputes.

In Canada and Britain the majority of labor leaders are giving loyal support to the war effort. The country appreciates their patriotism. But the gangsters among U. S. "labor leaders" have their agents in Canada, men who must be watched. Their activities are doing honest labor great harm.

* * *

OTTAWA SHOULD LEAD IN SACRIFICE

These questions and answers came out in the House of Commons.

How much money was spent on the new Canadian National Railways station in Montreal during 1939?
Answer: $2,174,590.82.

How much was spent on the same in 1940?
Answer: $3,599,075.82.

What is the estimated amount of expenditure on the same for 1941?
Answer: $4,100,000.00.

The diversion of these millions of dollars of steel and manpower into this passenger station project in Montreal shows callous neglect of the promises and undertakings given to the people of Canada by their Government.

On Nov. 12 last, The Prime Minister said:

> "The only limits the Government is prepared to place upon Canada's war effort are those imposed by the extent of our resources, both human and material, and by our capacity for sacrifice."

On Nov. 21, the Minister of Finance said:

> "I think it is highly essential that all of us should economize all we can and not spend our incomes on things which compete for labor and materials with war production."

Are the people of Canada to take it that sacrifice is to be demanded only of civilians; that pet projects of politicians and government-owned enterprises are exempt from the rule of deferring new work until after the war.

This week the Minister of Finance warned that boards of directors which permit higher costs because the Government, through loss of tax revenue, pays most of the burden anyway would be regarded as "guilty of serious misconduct."

What about a government that permits higher costs in wartime for non-war enterprises. Is it too not guilty of "serious misconduct"?

* * *

A BUSINESSMAN FOR A BUSINESS JOB

Recently the Minister of Munitions and Supply muddied the waters of clear thinking in respect to the question of rôle of business men in war supply.

He scoffed at the idea of "authority without responsibility" and indicated that no man and no government company could be given "that kind of a free hand." Thus did he dismiss the idea that the present management of war supply in Canada could be bettered. But his comments were hardly to the point.

No one has suggested that war supply be turned over to a group of businessmen, freed of responsibility for their operations. Mr. Howe's bold assault upon his own straw man served merely to divert attention from what **has** been suggested.

* * *

What has been suggested is that it is no more necessary for Mr. Howe to be both Minister of Supply and co-ordinator of war purchasing and production than it is for Col. Ralston to be both Minister for War and Commander-in-Chief of the Canadian army corps.

What has been suggested is that a cabinet minister's job—whether in respect to the army or in respect to war supply—is a different job from that of the commander-in-chief who serves under him and reports to him.

Mr. Howe has brought in a great many businessmen to do specific jobs and he has set up government companies to do others. These are his general staff. Except in theory, there is no one of them who is commander-in-chief, chief of staff or "general manager."

Mr. Howe and the country would get much better results out of these men if they were working in an atmosphere, and by means of a system, more familiar to them. There should be one co-ordinator for their activities, a general manager of war supply. That general manager should be responsible to the Minister. The Minister would

(Continued on page 2, col. 4)

May Ban All But 2 Types Of Gasoline

Order by Oil Controller Expected — Likely to Involve Two New Gas Types

Oil control in Canada is now coming very close to the average motorist. The Oil Controller is expected shortly to rule that only two grades of gasoline may be sold throughout Canada.

If and when he places in effect another stage in his policy—regulating the hours of sale of gasoline and oil—oil control will come another step closer home.

Price control, for which the Oil Controller now has authority, may be a third step. Already the Controller has intervened in gasoline price situation in Nova Scotia and the grade control measures may make necessary direct price control.

The first of these moves appears imminent. G. R. Cottrelle, the Oil Controller, suggested as much in a recent speech in western Canada. This move was forecast a month ago by The Financial Post.

May Cut Sale Hours

The second move, it is understood, is now being considered and has not yet been worked out completely. It might be required, for example, that gasoline service stations should close each evening at 7 p.m. or 9 p.m. instead of staying open until midnight or later. The aim of this would be to make some reduction in man power, also to discourage gasoline use.

Two "Ordinary" Grades

Measures which are likely to be enforced in the near future would reduce available grades of gasoline sold in Canada to two in place of the three or more now offered. The two new grades would be one with an octane rating of 75 to 78 and a second grade of 66 to 70 octane.

At present top grade gasoline usually contains tetraethyl lead compound (ethyl), and has an octane rating of 80 or better. All major companies offer a gasoline meeting this standard. Then there is a second grade where smaller proportion of tetraethyl lead are used and octane rating averages around 76. The third line, usually a "white" gasoline, contains little or no tetraethyl lead and has an octane rating of from 60 to 66.

Comparative Grades

Here is how the gasoline now offered for sale compares with the new proposed grades:

Grade of Gasoline:	Approx. Present Octane Rating	Proposed Octane Rating
Premium (Ethyl)	80	75-78
Standard	76	66-70
Third (White)	60-66	Not avail.

The above gradings, at least for present gasolines, are only approximate and there are other important standards for measuring gasoline grades.

Objectives of Control

Objectives before the Oil Controller in this latest restriction are to save U. S. dollars and to promote economy in merchandising, The Financial Post is told. Apparently the major source of saving in U. S.

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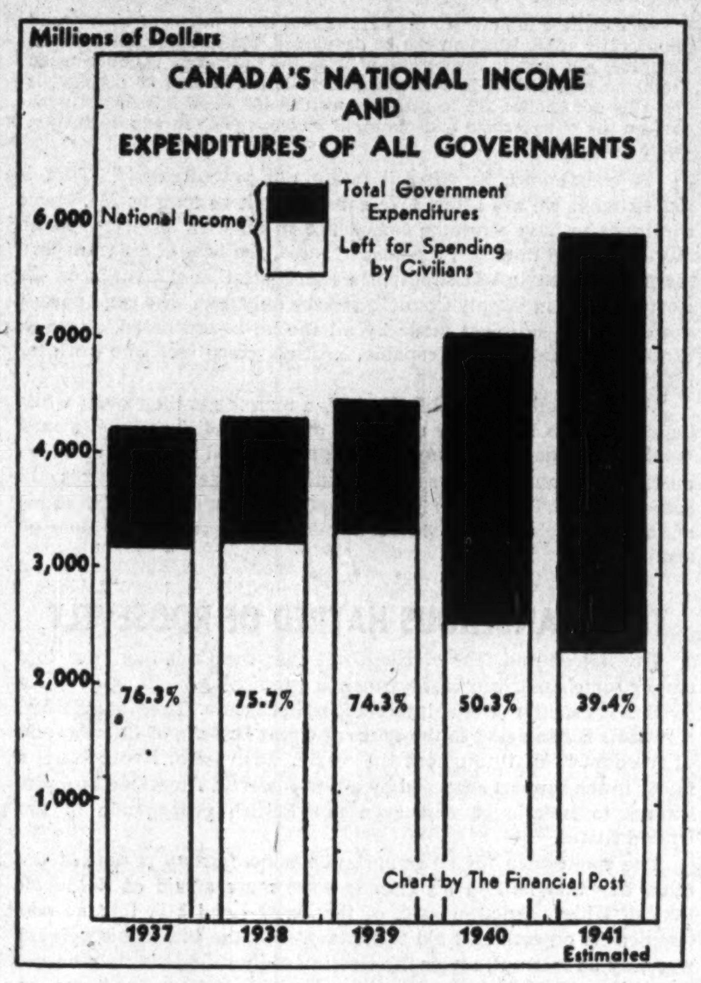

War is consuming more and more of the national income, leaving less for private spending. The chart shows that while the industrial speed-up is boosting the national income sharply, the additional income is being diverted to war purposes. The private citizen has left to him about 30% less than in the prosperous year of peace, 1937.

Inflation and Work Jams Big Fears of U.S. Executives

Key Figures in America's Defense Effort Offer Comment — One Fears Serious Shortage of Management Personnel for Big Effort

By HORACE T. HUNTER,
President, MacLean Publishing Co.

NEW YORK. — Conversations with some of America's ablest and most influential industrialists here last week brought new insight concerning the magnitude and strength of this country's industrial resources and equipment. Most of this vast machine is now being geared into what is called the "defense" programme.

It is as much a programme for Canada's defense as it is for the defense of Great Britain and South America.

The head of one of the largest corporations in the world pointed out that the industrial capacity of the United States was today equal to or greater than the whole of the rest of the world combined.

An important executive of a large oil company stated that nearly one half the gasoline in the world is being produced in the United States, 20 million barrels a day compared with 22 millions from other countries. Formerly England got most of her supplies from the East, but as this road is now closed, the chief sources are across the Atlantic.

As to Germany's oil supply this official stated there is no indication that Germany is running short of gasoline or is likely to do so in the immediate future. He believes there is much more likelihood of a shortage of high-grade lubricating oil. Germany, he says, is using 87 octane rating gasoline and also uses super-chargers, and seems to be getting satisfactory results.

Decentralizing Production

There is reasonable satisfaction as to the way in which the United States as a democratic country has tackled the colossal switch from peacetime production. Ultimately, it was pointed out, this job of defense and armament would have to be decentralized. At the start this was neither wise nor possible.

"It would be a mistake," said my informant, "to start on large orders by giving contracts for small parts to small subsidiary or independent companies. If they fell down on the job either through labor troubles or for other reasons the whole programme would be jeopardized.

"The best plan is to get the nation's main plants into production first. Then when things are running smoothly, production can be speeded up by letting subcontracts to small concerns. This sub-contracting is highly desirable. It gives an opportunity to use idle capacity and idle machinery in smaller centres. It creates balance between agriculture and industry.

"There has been criticism of the Government for giving such a large percentage of orders to the large industrial companies. This is unwarranted. The huge jobs that these firms have undertaken are largely a headache. We are being used, not because we wanted the job, but because we had the organization, the personnel and the technical knowledge. We have been glad to offer these to the Government."

Labor and Inflation

Labor problems and inflation are uppermost in the minds of the men with whom I had an opportunity to talk. The present labor crisis is causing concern not only because of its immediate effect on defense

(Continued on page 5, col. 6)

War Housing Units Started

Wartime Housing Ltd. has let contracts and got work started on 225 family houses and staff houses for 400 men at Halifax. This is the first move by the newly-formed Government housing company to solve Canada's wartime industrial housing problems.

Wartime Housing has also completed surveys and made recommendations to the Government for projects at Hamilton, Ont., and New Glasgow, N.S. Definite plans arising out of the proposals are expected to be announced shortly. Additional housing at Halifax is being considered.

Another report has been completed and recommendations made regarding housing problems in the Niagara Peninsula, including studies of the situation in St. Catharines, Welland, Fort Erie and Niagara Falls.

Early association between F. W. Nicolls (director of housing for the Department of Finance) and Wartime Housing Ltd. has recently been concluded, it is understood.

When Wartime Housing was set up as a wing of the Department of Munitions and Supply, there was placed at its disposal the insight and data on housing problems in Canada which had been acquired in recent years by Mr. Nicolls and the Department of Finance. Al-

(Continued on page 5, col. 7)

Shipbuilding Shifts Into High

Cargo Boat Plan Doubles Canada's Present Programme

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Canada's new project to produce cargo ships in volume launches vast expansion and sweeping shift of focus in the wartime programme of shipbuilding.

The scheme has been officially initiated by creation of a new Government war company, Wartime Merchant Shipping Ltd., through which execution of plans will be channelled. H. R. MacMillan, formerly chairman of the Wartime Requirements Board, has been appointed head.

When fully developed, the undertaking will probably match if not exceed the cumulative total of ship orders placed to date, amounting at last report to over $100 millions. Shipyard operations, hitherto concentrated on naval craft, will centre increasingly on freighters.

Broad Change in Policy

This extension of plans reflects a major change in Canada's policy of wartime ship construction. Commitments up to now have been solely for moderate-sized naval vessels for patrol operations, along with power boat units and a large number of small auxiliary craft. Cargo ship construction has been confined to relatively few orders on British account alone, placed only recently and calling for only 20 boats.

Previous basic plans have now been revamped. Canada is to help replace merchant ships lost in the war at sea. Main purpose of the expanded programme is to add Canadian shipyard capacity to British and U.S. output, to combat the threat to ocean supply channels from the rising toll of ship casualties.

To supply fresh strands for Britain's frayed Atlantic lifeline, the new Government plans call for completion of some cargo ships this year, and progressive speed-up in the programme to attain peak production at the end of 1942 or early 1943.

Scope of Production

Estimates of production from the new project range from 60 a year, on a cautious appraisal of potential capacity, up to a possible 75 to 100. It is planned to concentrate on vessels of 9,300 tons, similar in size and design to the 20 now being built here under British orders. Ships produced under the new programme will be for both British and Canadian account.

Vessels completed on Canadian account will be turned over to existing shipping companies to operate. The Government will retain ownership and control of the ships, but is unlikely to create a counterpart of the Canadian Government Merchant Marine, which took over operation of vessels produced here after the last war.

It is estimated that the new craft will have a Canadian content of labor and materials of from 90% to 99%. Plans call for use of six yards in British Columbia, four on the St. Lawrence River, and two on the Atlantic seaboard.

As outlined by Hon. C. D. Howe, Minister of Munitions & Supply, the policy will be to use available capacity of present yards where feasible, but to arrange for additional ways and other expansion of capacity when necessary.

Use Coastal Yards

The question of creating additional yards, perhaps with capital advances from the Government, has been left in abeyance. A major advantage of the cargo ship project is that as it gains momentum, the existing programme of naval ship construction will be tapering off. Future production of naval vessels is to be concentrated in yards on the Great Lakes, leaving the coastal and St. Lawrence yards increasingly free to handle freighters and, later on, the construction of destroyers now being planned.

D. B. Carswell, Controller of Ship Construction and Director-General of Naval Construction, will remain

(Continued on page 4, col. 4)

Think Revision Betters Excess Profits Tax

From Our Own Correspondent

OTTAWA.—Important changes in the Excess Profits Tax Act, announced this week by Hon. J. L. Ilsley, Minister of Finance, will materially relieve many of the inequities of existing legislation. Revisions are in line with forecasts by The Financial Post of likely changes.

The amendments will apply to profits for 1940, or company year ending in the year 1940. Major changes are summarized as follows:

1. Base period for computing standard profit will be defined as the calendar years of 1936, 1937, 1938 and 1939, instead of the fiscal years of the companies.

2. The taxpayer will be allowed to choose his three best out of four years in the standard period as his base, if the fourth year is less than 50% of the average of profits of the other years. The same privilege on two out of three years basis will be allowed taxpayers in business for only three years of the base period.

3. Inventory reserve provisions will be amended to permit the taxpayer to provide against a decline in values, with proviso that such reserve must be utilized within the year after the act ends, or it will then be added to profits for tax purposes.

4. Adjustments of standard profits by reference to changes in capital will be limited to a fixed rate of 7½%, with the proviso that any company adding capital to the extent of 33 1/3% will have the option of being considered a new company.

Base Period Better

The first of these changes will eliminate the unfairness of the former requirement that base period must be company years ending in 1936, 1937, 1938 and 1939. This means that many companies would have to include a major part of earnings for 1935, a year of relatively poor earnings, while omitting most of 1939 when earnings were on a better scale. It is a major improvement, removing a much criticized section of the former act.

The second change mentioned above will allow a company to take an average of three out of the four years if it suffered a loss in the fourth year. Under the old ruling a company reporting taxable income in only three of the four base years was required to divide the three years income by four to arrive at its standard profit, getting

(Continued on page 2, col. 6)

The War And Business . . *A Weekly Round-up*

War Output Progress

Latest check-up of Canada's war production from reliable sources indicates present position in key lines about as follows:

Shells — Production nearing peak. There is an apparently big surplus of ordinary artillery shells, owing to the lull of field fighting since the collapse of France. Aside from the African campaign the only active artillery since last June has been that of the anti-aircraft batteries. Much apparently will depend on the new campaign in Europe as to the size of future Canadian orders.

Guns—Peak production will not be reached until next spring. Production of anti-aircraft guns believed to be proceeding smoothly, some disappointment with progress on larger calibres.

Army Vehicles — Production continuing at or around peak, with tapering off towards close of year expected, barring unforeseen changes in war situation.

Shipbuilding—Two years before peak output is reached at rate of 60 to 75 fairly large cargo ships (9,300 tons) per year.

Construction—With camps, barracks, stores, buildings and air fields nearly all completed, programme expected to taper off fairly quickly.

Machine Tools—Deliveries from the United States now reaching peak. This is earlier than was expected some months ago.

* * *

Power Yardstick

Progress or lull in any one war industry cannot be used as a yardstick for measuring the war effort as a whole. Deliberately and for other reasons certain branches of production will progress faster than others. With supplies of labor getting more limited this uneven pace is an advantage, as it permits diverting workers from one job to another.

Best yardstick for measuring Canada's growing war output as a whole is probably electric power consumption. Demand here is continuing to soar. Premier Hepburn this week stated that if present increase in demand continues Ontario factories next fall would be using 300,000 horsepower more than at the same time last year.

* * *

Standardize Planes

Concrete steps have been taken to standardize military plane production in Great Britain and United States. An agreement has just been reached between air force leaders of both countries whereby, as far as possible, aircraft of the same type will be identical and with parts interchangeable, whether produced in Britain or the U.S. An immense immediate saving in original manufacture is expected and, of equal importance, much speedier repair on the actual battlefield.

Ultimate results may be world wide as Britain or the United States now largely control the plane types used in the Western Hemisphere, all of Australasia, much of Asia and Africa.

* * *

Our Hidden Reserves

The high peacetime standards to which most of the people living in North America are accustomed constitute a huge war reserve of valuable raw materials. An extreme example is seen in the switch of a U. S. gum manufacturer from aluminum foil to waxed paper for wrapping his product. This change releases over half a million pounds of aluminum a year, sufficient to make almost 1,000 airplane wings, and the standard of living will hardly suffer at all.

* * *

Jugoslav Prize

Much has been heard about the individual fighting power of the Jugoslavs, but little of the big prize Hitler is seeking in their country—outright control of key minerals. Copper, lead and bauxite (raw material of aluminum) are the leading items. Of course Germany has been getting practically all the export of these anyway since the beginning of the war but being dependent on a continuance of the supply, apparently has decided that it was too risky leaving these sources beyond the boundaries of the swollen new Reich.

Copper and lead deposits are in the more readily defended mountainous south of the country, the bauxite in Dalmatia up near the north end of the Adriatic.

* * *

Appraising Salvage

In one year the current salvage campaign in Great Britain—from household not commercial sources—is reported to have accumulated sufficient materials to manufacture:

1,000 25-ton tanks
20 million shells
10 5,000-ton cargo ships

These results will be almost unbelievable to the average individual who has little conception of what staggering totals can be rolled up when a small family saving is applied to a whole nation. Authorities who have looked into salvage possibilities in Canada, however, caution against hopes of duplicating the British achievement. Much material now going to waste, they state, can be saved, but owing to long distances between foundries, the absence of proper re-claiming facilities, and the lack of experience in necessary sorting, a 100% clean-up is not possible.

* * *

Bacon Mart Widened

Anxiety of U. S. Lease-Lend competition for Canada in food exports to Great Britain was partially allayed by a statement of Hon. J. G. Gardiner, Minister of Agriculture, in Parliament this week. Mr. Gardiner intimated that Washington had agreed to leave Canada the right-of-way on bacon exports to Britain, with American farmers presumably concentrating on other pork products—lard, ham, etc.

Mr. Gardiner also announced that Canada was now assured of a still larger bacon market in the Mother Country, and that exports this year would probably show a 20% gain over 1940. Present trade is worth about $70 millions a year. The new increase, Mr. Gardiner believed, would be sufficient to care for any expansion in Canada's hog industry.

Some of his hearers in Parliament, however, did not seem as confident. Reports would indicate a big expansion in Canada's hog industry this year, especially in the western districts. The new Government wheat policy with its bonusing of diversion to livestock grains is expected to further stimulate this expansion. All of this has led to fears of substantial overproduction in hogs.

* * *

U. S. Food For U. K.

Incidentally greatest emphasis in United States regarding food for Britain continues to be placed on concentrated or non-perishable commodities. A huge export is expected in canned goods — in which Canada is also interested. This would apparently replace fresh and frozen stocks destroyed when refrigeration plants broke down, following bombing interruption of power services, according to the current letter of Whaley Eaton Service, Washington.

The same letter mentions the possibility of shipping vitamin concentrates on bombers being flown to Britain. Some of the larger of these craft, it is said, could carry up to 15 tons of freight.

* * *

U. S. in War by May

The United States and Germany will be at war before the end of May, William T. Stone, vice-president of the Foreign Policy Association, New York, predicts in The New York Post. First steps toward this action, said Mr. Stone, are imminent and will be the extension of the U. S. naval patrol two thirds of the way across the Atlantic in connection with expected convoy of merchant shipping. The Germans, he states, will not take this extension lying down and, with or without an actual declaration of war, will interfere.

The Germans, said Mr. Stone, have got to break the British supply line and as it is now the fixed policy of Washington that Britain shall not fall, it is clear that this shipping lifeline must be maintained unbroken.

Lower British Tariff Is Strongly Urged

By STAFF WRITER

OTTAWA.—Further lowering of Canada's tariff against British goods in the new budget has lately been persistently forecast, with the possibility mooted in some quarters of complete removal. Western Canada newspapers, notably the Winnipeg Free Press and both the Sun and Province of Vancouver, have advocated such a step, at least for the duration of the war.

Britain's deficit in her balance of payments with Canada is estimated at well over $1 billion in the coming year. The prospect of heavy gold shipments is considered remote and there is a limit to the repatriation of British held Canadian securities. Britain, it is generally conceded, must depend more and more on her exports to pay for war and other imports.

Strong Arguments

Strong arguments are advanced for the encouragement of more exports by Britain. It is pointed out that there is no dearth of cargo space coming this way across the Atlantic. Indeed many ships must be returning in ballast. Providing British factories can turn out the goods and move them to export ports in the Old Country, it is argued, Canada should be glad to accept them.

The Winnipeg Free Press, which in the last few days has devoted several leading editorials to this subject, states that there are still 1,800 different items in the British preferential tariff which affect imports from Britain. Shoes and textiles are mentioned specifically as carrying a heavy duty. The Free Press argues:

> "As Mr. King's recent statement proves, we are rapidly accumulating against Britain a substantial war debt. There are not available in Britain enough Canadian securities to right the balance. And the debt will grow hugely as the war proceeds. Does anyone pretend that Britain can pay this debt otherwise than in goods? Are we to begin now to repeat the folly of the last 20 years?

Check Inflation

> "Our own budget has reached a point where a measure of inflation may be inescapable. What better check to rising prices than increased imports from Britain—more goods to be sold?"

The Vancouver Province makes the point, that eventually after this war the world will have to lower barriers if international trade is to continue, and we might as well start now. It warns:

> "Anyhow there can be no doubt that the lowering of customs tariffs will have to be an agreed international policy toward the economic reconstruction of the world after the war. We shall probably accept far more revolutionary procedures than the abolition of tariffs against Britain."

With a scarcity of non-war goods looming in Canada as more and more industry turns to war production, The Vancouver Sun maintains that we are deliberately impoverishing ourselves at a time when extra goods are needed and could probably be got from Britain.

Army and Air Force
OFFICERS' REGULATION
RAINCOATS

These garments are made in the regulation styles as required for Army and Air Force wear . . . first rate fabrics, careful workmanship to give lengthy service. Available in type models for "talls", "shorts", regular builds. Sizes 34 to 46 in the group. Note the price range:

FOR ARMY OFFICERS

"Weatherdair"—*Made in England, shower-proof cotton gabardine . . . Cravenette processed . . . self-lined. Each* 18.00

Separate wool and cotton linings. Each . . 6.50

"Croydon"—*English cotton gabardine with cotton check lining . . . water-proof cotton interlining. Each* 16.50

FOR R.C.A.F. OFFICERS

"Croydon"—*Wool and cotton gabardine with shower-proof cotton lining. Each* 25.00

Wool and cotton gabardine with rayon satin lining, water-proof cotton interlining. Each . . 29.50

Budget Plan Terms may be arranged if desired.

Main Store—Second Floor.

T. EATON C°. LIMITED
TORONTO CANADA

John Bertram Pays Dividends

Initiates Payments of 15c. — Changes in Officers

John Bertram & Sons Co. is initiating semi-annual dividends on its new common stock at a rate of 15 cents a share. First payment will be made Aug. 15, 1941, to shareholders of record Aug. 1. This will be the first common dividend paid by the company since 1930.

Since the shares were listed recently on the Toronto Stock Exchange, certain changes have been made in offices and directors. Henry Bertram, former president, becomes chairman of the board. He was succeeded as president by H. G. Bertram, who has been vice-president and secretary-treasurer. J. T. Ross becomes secretary-treasurer. Three new members are added to the board of directors, including: A. E. R. Turner, Hamilton; M. T. Finlayson and H. W. Simpson, Dundas, Ont.

B. A. Oil Subsidiary Extends Pipe Line

Toronto Pipe Line Co., subsidiary of British American Oil Co., is laying nine miles of gathering lines near Cut Bank, Montana. The line consists of 4 in. and 3 in. pipes and may be extended later to serve additional wells.

The company has practically completed laying a 35-mile pipe-line system in southern Illinois.

St. Lawrence Flour Mills Pays Bonus on Common

From Our Own Correspondent

MONTREAL.—Directors of St. Lawrence Flour Mills Co. have declared a bonus of 50 cents a share on the common stock in addition to the regular quarterly dividend of 25 cents a share, payable May 1 to holders of record April 19.

The preceding two quarterly payments were 25 cents each, while on August 1, 1940, the quarterly payment was accompanied by a bonus of 50 cents a share. Previously the company paid a bonus of 50 cents on Oct. 2, 1939.

Foreign Exchange

During the week Apr. 1 to Apr. 7 there was no change in the quotation to the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Apr. 7

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2737

Aluminum Power Adding to Output

From Our Own Correspondent

MONTREAL. — Aluminum Power Co. has under way changing runners on the water wheels in each unit at its Chute-a-Caron plant. Last summer the runner on one water wheel was changed, increasing capacity by around 6,000 h.p. The company now has three additional runners on order.

Dom. Engineering On 24-hour Basis

From Our Own Correspondent

MONTREAL.—Output of Dominion Engineering Works plants has been greatly increased as a result of installation of a considerable number of new machines, according to President W. F. Angus.

During the past year, he pointed out, the company has been operating 24 hours a day producing marine engines, hydraulic presses and a variety of equipment required by both the Army and the Navy, as well as hydraulic turbines and other regular products required by industry.

In discussing the possibility of a dividend on the capital stock, Mr. Angus said the directors have been unable to give consideration to this matter because the company's tax liability under the Income War Tax and Excess Profits Tax Acts has not yet been definitely established.

N. B. Power Co. Deal Enters Another Stage

From Our Own Correspondent

MONTREAL.—Legislative authority has now been given the city of Saint John to negotiate for purchase of the distribution systems of New Brunswick Power Co. and to submit the matter to plebiscite of city electors.

Many efforts have been made in the past to consolidate electric distribution systems functioning in Saint John and owned by the Civic Hydro Commission and the New Brunswick Co. The duplication of service is not only costly and inefficient but has been accompanied at times by intense competition.

Prior to the new legislation, the Civic Commission had rights to erect a distribution system in the city, but could not purchase any existing system, nor could it distribute current outside the city. The bill passed gives it these added powers.

GENERAL MANAGER

Herbert D. Burns, who has been appointed general manager of the Bank of Nova Scotia. He was born in Nova Scotia and in 1923 became assistant general manager. Since 1934 he has been senior assistant general manager. He succeeds Harry F. Patterson, who has been appointed executive vice-president.

May Limit Gas To Two Types

(Continued from page 1)

dollars is to come from the reduced amount of tetraethyl lead compound to be imported from the United States. Popularly known as "ethyl," this product cost Canadian importers over $3 millions in 1939. It can be assumed that last year's heavier gasoline consumption resulted in higher imports. Since "ethyl" compound is required in the very high-test aviation gasolines and since comparatively large amounts are required with the increasing amount of air training being done here, the Controller's move bringing down use of ethyl will help to ease the import situation.

At present it is not planned to make this move in the form of an official order from the Oil Controller's office. Rather, it will be enforced through the co-operation of the provinces. Alberta, it is understood, already has an order-in-council framed and is only waiting for action by Saskatchewan and British Columbia to enforce it, making the new grades obligatory.

Effect on Oil Companies

Undoubtedly such a move will affect the oil companies. Perhaps the major concerns will feel it less than the smaller units. Those concerns which have depended primarily on a price appeal to sell their product may be hardest hit. The price war which has been going on in Toronto for about a year now will probably end as the third grade of gasoline which has been featured as a price leader will no longer be available.

Oil company spokesmen are fearful that this prospective order may be the forerunner of price control. This, they feel, would take away from the industry its major remaining freedom and place further restriction on competition. They see no one but the consumer of gasoline paying for changes; probably in the form of higher gasoline prices at least in areas such as Toronto where price competition has been severe in recent months.

Competitive Position

An important factor from the standpoint of the oil companies is the effect of compulsory standardization of grades of gasoline on their competitive position. Practically every distributor of petroleum products spends huge sums on advertising to build up consumer demand for the products sold under their brand names. Now, they fear, the public will feel that all gasoline is the same and that there is no advantage in clinging to favored brands.

This fear may be exaggerated. A company, for example, can shoot at the top rating for its gasoline and still justifiably claim that its product is better than that of another company which may only aim at getting over the minimum requirements. But the threat to the carefully, and expensively, nurtured brand preference remains.

Still Good Gasoline

Few of those of whom The Post enquired seemed to feel that the motorist would be seriously inconvenienced because the average grade of gasoline to be available would be lower when judged by the octane rating standard. It is pointed out, for example, that octane rating is not the only measure of the worth of a gasoline, although it happens to be the one that is common at the moment.

The Oil Controller's office tells The Post that enquiries have been made of automobile engineers who maintain that there will be no appreciable lessening in efficiency of operation of the most modern, high-compression, engines.

The new grades will only affect the gasoline which the motorist, truck or tractor operator buys. Aviation gasoline is now available in Canada in four grades, graded by octane rating as 100, 91, 87 and 80. It is not planned, so far as can be learned, to interfere with these.

Normetal Shaft Down To 2,000 Ft. Depth

Shaft sinking at Normetal Mining Corp. has been carried to the 2,000-ft. horizon, shareholders were informed by J. H. C. Waite, president, at the annual meeting. Four crosscuts have been driven on new levels with the ore already intersected at the 1,500 and 2,000-ft. levels.

Grade of the ore intersected is stated to be about the same as indicated by previous diamond drilling. The two remaining crosscuts are expected to intersect the ore zone within about a week's time.

In response to questioning, it was stated that the question of a zinc smelter in Quebec was now being discussed but that it would take about two years to put such a smelter in operation.

Directors were re-elected.

The Nation's Business

(Continued from page 1)

deal in policy; his manager—a businessman—would carry out that policy and get results.

* * *

The Winnipeg Free Press sees this need. It had an editorial the other day making the case for maintaining democratic methods in war administration. As in the case of Mr. Howe, the editorial started out by setting up a straw man to knock down. But it concluded:

> "Somewhere in between the extremes of these points of view sound democratic administration can be developed, the middle course which combines democratic responsibility with the unloading of much work from the single shoulders of a minister. It is not easy to do. But it must be done if we are to preserve on the one hand free institutions and on the other create and maintain a competence in administration not yet attained."

"A competence in administration not yet attained." That is indeed what we are after. We cannot get it so long as Mr. Howe continues to have supreme confidence in his own ability to be an M.P., a cabinet minister, the boss of radio, the boss of air transport, the policymaker in war supply, the representative of Canada on the North American Supply Council, and the only man who can approve the details of decisions made by all the un-co-ordinated, although in most cases exceedingly capable, business executives who work for him.

What is needed under Mr. Howe is a man to get the results while he sits in with his fellow ministers drafting policies. Such a man would be no more irresponsible than the general manager of an industrial company, who has enough authority to get action but is still subject to the authority of his board of directors, and through them, of the shareholders. He would be no more irresponsible than an army C.-in-C.

* * *

THAT DANGEROUS HATRED OF ROOSEVELT

The hatred and fear of Roosevelt that the Canadian runs into among some American businessmen is astonishing.

This is a matter of vital interest to us in Canada. The state of mind it reflects is damaging to the cause of Great Britain, of Canada, and of freedom itself throughout the world. Distrust of Roosevelt is a factor in the support accorded by a few powerful American business leaders to isolationist and even anti-British propaganda in the United States.

One spokesman for an important business group remarked the other day that he and his friends were more afraid of Roosevelt than of Hitler. Another said, of the Lease-Lend bill, that no one opposed its objective of aid to Britain. But the bill in his opinion was only an attempt, under the cloak of aiding England, to give the President unlimited authority and unlimited access to the Treasury so that he could set up a personal dictatorship.

Such things, and worse, have been said to members of The Financial Post staff, in letters that they have received from exceedingly prominent businessmen and editors in the United States, and in conversations during trips across the line.

* * *

Canadians have been diffident about attempting to guide or even inform United States opinion. But such extreme attacks upon President Roosevelt, besides being the most egregious folly, are very harmful to the cause for which we are fighting and which majority American opinion has committed itself to support in every way "short of war."

We have a right and a duty to be candid with our American friends. When a Canadian hears an American say that he is more afraid of Roosevelt than of Hitler, the Canadian should not feel any obligation to be silent. This war probably cannot be won without the physical force of an American contribution and the moral force of American sentiment.

When Wendell Willkie was in Toronto he remarked that one of the reasons he was supporting the President's policies in relation to the war was so that he could be sure of the privilege, after the war, of differing with him on domestic policy.

Willkie showed some vision in that comment; greater wisdom than that group in the United States who seemingly would rather have Hitler win the war than see him lose through American aid given by their bête noir in the White House. If Hitler does win, such men will never have a chance to oppose the New Deal. They'll have a dictatorship over them within a few days; trying to fight totalitarian fire with totalitarian fire.

* * *

EXCESS PROFITS TAX MODIFIED

The changes announced in the most misnamed of all taxes—the "Excess Profits" tax—will require considerable study. At first glance they seem to offer some relief from certain of the more unfair phases of the tax. Their primary purposes seem to be to recognize that companies should be allowed to build up some reserves against the inevitable day when a calamitous post-war depression comes.

There can be no more important responsibility resting upon any board of directors than that of putting their company in shape to breast the hurricane of post-war adjustment. Any expenditure made to improve properties, to reduce working costs or to strengthen a company's position is an expenditure in job insurance. If it helps to see a company through the difficult days to come, it will help to keep people at work instead of having them thrown upon government relief because their employer has gone into bankruptcy.

Sound business expenditures of this type should be urged and recognized by the Minister of Finance in the interests of a stronger national economy.

Mr. Ilsley's rather sweeping suggestion of "serious misconduct" by business firms is grossly unfair to 99.9 per cent of Canadian business executives. When he says that "there may be little profit motive in vigilance for economy," when he says that it should not be necessary to offer the profit motive to Canadian business "for the prevention of inefficiency or waste" he is arousing unjust suspicions. The profit motive is essential for solvancy. It is necessary for efficiency and economy in business. Mr. Ilsley should encourage rather than jibe at it.

Victory Loan Campaigning Slated to Start May 10

Advance campaign for the 1941 Victory Loan will begin with launching of a general publicity drive May 10, when the second phase of the War Savings Campaign will be brought to a close. Publicity will have about three weeks to prepare for the offering of the loan, expected June 2.

Management of the campaign will have a "professional" atmosphere, with key positions held by bankers and investment dealers. These have at their disposal lists of canvassers active in the first two War Loans, from whom the Victory Loan canvassers will largely be drawn. An increase in the list of special accounts is anticipated in order that larger investors may be approached by the more experienced investment men.

Question of compensation for investment firms whose staffs have been drained to supply Dominion and provincial committees with technical and organizing assistance has not been finally settled. Payment of commissions, as in the first two loans, would run into the difficulty that firm members are scattered. It is virtually impossible to compare the individual contributions of different firms except on an arbitrary basis, such as their performance in the earlier loans. Probabilities favor some form of fee basis both for loan officials and the firms they represent.

Simplified Delivery

Simplified technique of delivery will likely be put into effect. Former method of issuing interim certificates exchangeable into final securities occasioned delays, sometimes running into months from the time of subscribing to receipt of the final security. Probable solution of this difficulty which brought misunderstandings, on the part of inexperienced investors, would be the issue of bearer bonds shortly after subscription. The bearer bonds could later be exchanged by the holder for registered bonds if desired.

The loan is expected to be up to around $700 millions. Maturity, coupon rate and public offering price have not been announced, but it is not expected that investors will receive a yield higher than 3%.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Sydney, N.S.	Apr.	Dominion Securities Corp.	4%	1942-51	$16,000	105.58	.....
Toronto, Treasury Bills	Apr.	Harrison & Co.	1⅛%	90-day	2,525,000	.....	.....
Granby, P.Q.	Apr.	Bank of Montreal	3½%	1942-61	125,000	98.56	.....

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Think Revision Improves Excess Profits Tax

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no allowance for the fact that it had no taxable income in one of these years.

The question of inventory reserves was worrying industrial and merchandising establishments everywhere. For example, Government policy in controlling sources of supply and requiring Canadian companies to keep stocks of strategic materials sufficient for far more than normal periods, brought a major threat to the solvency of many concerns in event of post-war price declines.

Now, it is assumed, they will be permitted the protection that they need. This was a major point of worry over the working of the original act. Unused reserves for inventories must be added to taxable income in the second year following the repeal of the act under new plans unless required in the first year after repeal.

The question of adjustments in capital has been altered materially. For example, a company having a 33 1/3% addition to its capital can apply for consideration from the Board of Referees as a new company. This would mean that its standard profit would be set according to the revised base to be adopted. The Board will have full discretion in establishing standard profits for new companies, taking into consideration taxpayers in similar circumstances in the same business.

There are numerous other changes of importance. The legal date of commencement of business is defined as the start of operations, not the date of incorporation. A clause is added to recognize reciprocal tax allowances made by any other country which also recognized such reciprocal arrangements.

Redefine Capital

Definition of capital is amended to permit inclusion of non-interest-bearing advances to subsidiary companies from parent concerns as equity capital, rather than debt of the subsidiary enterprise.

Only cash dividends will be permitted as a deduction from invested capital. Formerly stock dividends were so included.

Number of small companies exempt under the act is enlarged by the requirement that no taxpayer will be required to pay excess profits tax which will reduce his net profits below $5,000. This will be of interest to hundreds of small businesses which formerly were required to pay excess profits taxes whenever their taxable income, before deducting salaries or dividends paid to proprietors, partners or shareholders, exceeded $5,000 as a standard profit.

Changes are being made in depreciation allowances. These recognize that many companies did not provide normal depreciation during the depression years. The act now requires that half normal depreciation must be charged in determining standard profit, whether or not there is a profit in the year in question. This is planned to prevent carrying over of depreciation to a following year to reduce taxes. Cases of special hardship may be eased by order-in-council.

Clarification of the requirement that the taxpayer must determine his own standard profit and pay his tax on this basis for 1940 prior to April 30 is given. The responsibility is directly placed on the taxpayer to compute his own standard profit, including the 545 companies which now have claims pending before the Board of Referees. This is intended to remove the delays in the action of this board and assume more prompt payment of taxes. Penalty for non-payment by April 30 will apply as in the Income Tax Act.

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Financial Aid to Britain Excluded From Budget

From Our Own Correspondent

OTTAWA.—With the 1941-42 budget postponed until after Parliament reassembles April 28 the main lines of development of fiscal policy centre around the following points:

1. The budget will not include the British account on which a deficit of more than $1 billion is anticipated, leaving the way open for a budget balanced on taxation and borrowings within Canada.

2. The expected increase in taxation, from greater national activity and higher levies, will boost revenues about a third over present levels, perhaps more. Intensive study is being given to the claim that several classes of taxpayers, notably the middle-bracket incomes and corporation taxpayers, have reached the virtual limit of tax yields.

3. The third war loan, which will be supported by the most intensive campaign appeal possible, will seek up to $700 millions and the rate is expected to run around 3%.

Budget of $1,883 millions

The new federal budget will be $1,883 millions on the basis of estimates already submitted to Parliament for the direct war account of $1,450 millions and non-war account, $433 millions.

The intention to regard financing the deficit on British account as a problem entirely outside the budget is plainly in evidence on Parliament Hill. The total British purchases were estimated by Prime Minister King and Hon. C. D. Howe as $1,500 millions. But since this figure depends entirely on the rate of production by which British needs can be supplied, the estimate made at this time may vary one way or the other. It will not likely exceed this amount and it may run $200 millions less.

The aid to Britain is likely to be regarded only as a contingent liability of the Canadian treasury and will be financed through an agency of the British Government. That agency will be the Bank of Canada if, as expected, the mechanics of handling the British account remain the same as at present. The British deficit in balance of payments is estimated at $1,150 millions in the next 12 months, most of which Canada will have to absorb.

The chief problem engaging treasury experts is finding $1,880 millions for the combined war and non-war budget. With industrial activity and national income sharply stepped up in the coming year it is estimated revenues on the existing tax basis will yield $1,000 millions, perhaps $100 millions more. With the addition of new and increased taxes, total direct revenue is expected to run to at least $1.2 billion and possibly higher.

This would leave up to $700 millions to be borrowed for the main budget alone, though if hopeful estimates of tax revenues were realized, borrowing might be cut below $600 millions.

Mobilize Bond Men

Plans are believed under way for the Government to take over the services of all bond houses and brokerage staffs for the duration of the war loan campaign, expected to be in June, on a fee basis rather than on commission.

The War Savings Campaign will produce more than the $120 millions set as the objective and the total is expected to rise as high as $150 millions. Additional sources of fund include the reserves of the unemployment insurance scheme, which will come into operation some time during the fiscal year. The expected surplus funds the Government will be able to draw from this source will run around $40 millions.

The post-war credit feature of the new British budget, just announced, has attracted considerable attention here and it is indicated that this principle is already being explored. Sir Kingsley Wood, Chancellor of the Exchequer, lowered the exemptions from the income tax, but provided that the extra tax would be returned after the war to the taxpayer. This scheme was designed to prevent impairment of normal savings, which are a prime source of Government borrowing. At the same time it reduced personal expenditure and diverted a substantial new slice of the national income into the British war effort.

The basic problem in Canadian taxation is similar in principle, different in detail. Mere increases in income tax rates would rest on heavily burdened middle brackets, missing the lower brackets in which the greatest increase in national income has occurred. Several devices to postpone purchasing power in the lower brackets of income have been rumored, none officially announced.

Push Montreal Terminal

Capital expenditures on the new Montreal terminal of the Canadian National Railways will total $4.1 millions during the current year. This contrasts with an outlay of $3,599,075 in 1940 and $2,174,590 in 1939. Aggregate expenditures on the terminal to the end of 1940 total $22,425,012. It is now expected that portions of the facilities may be used for war traffic before the end of the year, and the project completed early in 1942.

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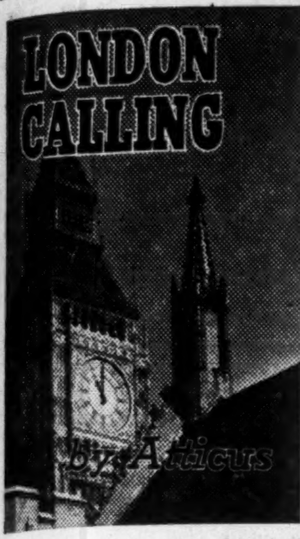

LONDON. — An interesting but somewhat sardonic French journalist once remarked: "In Moscow life was never dull. There was always the expectation of the Ogpu knocking at the door. In Chicago existence was made tolerable by the possibility of a gangster hold-up. In France there is perpetually the unexpected woman. But when you enter England a gentle Customs House inspector looks at you as if to say: 'Take your time, my friend. Nothing will ever happen here, and you can spend a peaceful time waiting for death.' "

Naturally he was referring to normal times. In wartime he could hardly complain that life in this country is dull even when there is no bombing. Certainly in London one never knows what interesting personality will turn up next. Without any plan or effort the writer of these notes seems to have run across many variegated human beings in the last few days, and each with a story to tell worth the hearing.

* * *

Many Types

It was interesting to lunch together with some fellow M.P.'s when General de Gaulle was the guest of honor. There is something appealing and rather wistful about this tall, fine-featured man with the slimness of youth and the eyes of a dreamer. Also it is unusual to see a general who is a veteran of two European wars without a single decoration save the modest insignia of "Free Frenchman." For was not General de Gaulle sentenced to death at Vichy, in his absence? So he strips his uniform of everything but that one brave ribbon.

Then there is Wing-Commander Archie James, M.P., who has been an attaché for the last year at our Embassy in Madrid. "It was sheer genius sending Sam to Madrid," he remarks, "and you know I was never a Sam enthusiast." And then in half-humorous, half-serious tones he tells the story of tragic Spain where the courtly Sir Samuel Hoare seems to have found his spiritual home.

Let us look at another small political dinner where a group of Tory members are fêting Brendan Bracken, M.P., who is Private Secretary to the Prime Minister. When Bracken was appointed a Privy Counsellor someone remarked: "Brendan was never right, but always honorable. Now he is the Right Honorable, and therefore both." A friend of his, describing him to a truthseeker, said: "He is like a St. Bernard dog. If you are dying in the snow he seeks you out, brings you brandy, and guides the monks to your whereabouts. But in a drawing-room those friendly St. Bernard movements are apt to knock the ornaments off the table." With his shaggy mop of red hair, his attractive melancholy, his abundant kindliness, and his passionate loyalty to his master, one finds his talk as unusual as it is well informed.

* * *

Envoys in London

Now in this narrative of personalities let us take a look at the Sardar Ahmed Ali Khan and M. Charles Zarine. The first is the Afghan Minister, the other the Latvian Minister, and both had come to pay a friendly visit to the old Mother of Parliaments. Their personalities are as contrasted as their backgroounds, and, like everyone these days, each had a story to tell of more than passing interest. The Sardar, who is a cousin of the King of Afghanistan, has a small moustache, large and gentle eyes, a powerful head, and a most courteous manner. He speaks English slowly but well, and with a soft musical intonation. He loves stringed music, and is something of a gourmet. He regards jazz music as uncivilized, writes an occasional poem, is a first-rate shot when he hunts the tiger, and when you speak of Russia he raises his eyebrows and smiles. A most likable and unusual personality and obviously a man of taste (or a diplomat), since he assures me that he reads these notes with rapture.

M. Zarine is good-looking but grey-haired, for he has lived hard. He was the head of the Latvian Society in St. Petersburg before the last war, when, of course, Latvia was included in the Russian Empire. So well was he regarded by the Russians that in matters of exchange rates and other such mysteries his decision was taken as law. When the revolution came in 1917 he stayed there and helped many Latvians to escape. Eventually his own life was in danger, but he got away after many hardships dressed as a peasant. When you ask his opinion of Czarist Russia as opposed to Soviet Russia he replies: "Both are authoritarian forms of government, and freedom under either is impossible, but there is this difference. Under the Czar the Latvians, even in St. Petersburg, were allowed their own culture, their own church, their own schools. Under Bolshevism all were abolished."

* * *

Master Mariners

Lord Marchwood, who has just been elected Master of the Honorable Company of Master Mariners, has never lost the breezy atmosphere of the sea, despite his long years as a Whip in the Commons and his more recent sojourn in the House of Lords. He actually holds a master mariner's certificate and has sailed the seas in all weathers. For the last two or three years he has filled the thankless task of Treasurer of the Conservative Party, during an austere political period. As Sir George Penny he performed his task of aiding and abetting David Margesson with exuberant good humor and ruthless efficiency. He likes people and people like him.

* * *

The New Margesson

On the day that these diplomats came to the House we witnessed a remarkable performance by David Margesson, the new Secretary of State for War. In bringing in the token estimates for the Army he spoke for an hour and a half and ended up in such good voice that one felt he could have repeated the speech without fatigue. When it is remembered that for years he had been Chief Whip and had not said much more from the Treasury Bench than: "I move that this House do now adjourn," it is possible to estimate the magnitude of his success. It is true that he adhered almost word for word to his notes, but he delivered his speech with what is sometimes called "appropriate gestures and facial expression." In fact he was first-rate.

What the House liked was his newly revealed humanitarianism, a quality which he had successfully held in check as Chief Whip. In fact there were times during his speech when he reminded us of Abraham Lincoln if only old Abe had ever been an officer in the Hussars. When he eschews the too well-thumbed phrase and trusts his own powers of expression more he will advance beyond his present level. But for a maiden speech, as one of his former slaves described it, it was admirable and full of promise.

* * *

Four Score Years

The English, as has been remarked on one or two previous occasions, are a remarkable race. The Scots have such hallowed festivals as St. Andrew's Night and Burns Night, which are celebrated so earnestly that the faithful maintain a solemn and thoughtful look for as much as two days afterwards. The Southern Irish sing laments on St. Patrick's Day and the Northern Irish let themselves go on July the 12th. The Welsh are strong on societies throughout the world and remain racially consciοus to a marked defree. The English? This brings me to that picturesque and remarkable figure, Lord Queenborough, who has just celebrated his eightieth birthday.

Lord Queenborough has been a rancher, a cowboy, a sportsman, an M. P., an Empire builder, a romantic and a realist, and always a close link with America. Now all his still abundant energies have concentrated on furthering the growth of the Society of St. George throughout the English-speaking world. Was there ever a more admirable project? For even if St. George is a somewhat remote figure he was respectable, courageous and idealistic, and deeply concerned in matters of no direct interest to himself—all qualities which appeal peculiarly to the English temperament.

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Expect Walkover in Manitoba Vote

See No Danger for Bracken Government on April 22

From Our Own Correspondent

WINNIPEG.—There is little opposition in sight for the Bracken Government in the general election called for April 22. So little is there that in many constituencies the contest is likely to lie mainly between candidates pledged to support the administration.

At least 20 acclamations in a House of 55 members are expected.

Voters will pass on the coalition arrangement effected by Premier Bracken among all parties of the Legislature last fall. The coalition formula accepted by Government supporters, Conservative, C.C.F. and Social Credit parties did not involve merging the parties. It was decided to work together on broad lines to foster readjustments in Manitoba relations with the Dominion Government.

This situation in an election has the effect of leaving formal opposition to the Government outside the organized parties. In the old House only Major General H. D. B. Ketchen, Conservative, L. St. G. Stubbs, Independent, and Miss Salome Halldorson, Social Credit, refused to accept the coalition.

At dissolution the standing was:

Liberal-Progressive (Govt.)	21
Conservative	15
C. C. F.	6
Social Credit	5
Independents	4
Communist	1
Vacancies	3

Until nominations are made, the exact position will not be clarified regarding contests, since independent nominees may appear to run against government supporters. A small Winnipeg group, describing itself as Sound Money Economics, has indicated its intention of sponsoring candidates. For the most part it will be a "save money" election, with the electors content to let the new House be formed without much fuss in wartime since the constitution requires an election this summer.

Three Stand Aside

Three ministers will not stand for re-election. They are W. R. Clubb, I. B. Griffiths and W. J. Major. Mr. Clubb and Mr. Griffiths resigned when the coalition was formed in order to make way for Opposition adherents. They have been appointed to government service. Mr. Major was recently given a judicial appointment by Ottawa.

Keen interest centres on the question whether cabinet ministers will receive acclamations. The total number of acclamations is expected to run high enough to give the Government a clear majority in advance, but no general formula has been worked out to guarantee it. Dissenting Liberal groups may, if they see fit, sponsor candidates against non-Liberal members of the Government, and dissenting Conservative groups may put up candidates against Liberal ministers.

Some members of the old Legislature, although they are adherents of the coalition, may therefore fall by the wayside in the election, and political observers are studying each constituency for signs of shifts in popular opinion that may bring on contests on local issues.

The large Winnipeg constituency, that elects 10 members by proportional representation, will likely produce the most active campaign.

Canada's Security Trade Shows Capital Import

Canada's trade in securities with other countries has been only a fraction of former amounts since foreign exchange control was placed in operation here in Sept., 1939. This control has also meant that each month since has shown a net balance of capital imported into Canada. For 1940 this net import of capital totalled $28.8 millions and January this year shows a balance of $2.8 millions.

As has been the case for some months, Canadians again liquidated a moderate balance of their holdings of United States stocks and bonds, the net balance of sales in this category in January being $1.4 million. In addition, there was a net balance of sales of Canadian securities to the United States amounting to $1 million. Trade in securities with the U.S. is summarized in the following table for January in each of the past three years.

Trade With United States

January	Sales $	Purchases $
1939	34,190,088	19,035,693
1940	14,509,985	9,278,902
1941	8,090,799	5,742,699

Trading with the United Kingdom resulted in a balance of sales in contrast to preceding months when there were repurchases on balance. Provincial and Dominion guaranteed bonds were sold on balance while Dominion, muncipal and corporation bonds and stocks were repurchased on balance. Trade with the United Kingdom has been very closely equalized for some time past, the net balance of purchases representing an export of capital, amounting to only $2.6 millions for all of 1940 and $5.5 millions for 1939.

These statistics, which are summarized below for January, do not include official repatriations and sales under vesting orders.

Trade With the United Kingdom

January	Sales $	Purchases $
1939	6,194,731	3,845,667
1940	843,347	867,435
1941	801,634	388,014

Volume of sales for all of 1940 to all countries amounted to $123.9 millions compared with $311 millions in 1939. A similar reduction in volume of purchases has taken place with last year's total of $95.1 millions, less than half of 1939's $238.9 millions, resulting in the $28.8 millions of capital import last year compared with $72 millions for 1939.

This trend is illustrated by the figures for January in each of the past three years which follow.

Trade With All Countries

January	Sales $	Purchases $
1939	43,499,825	24,233,139
1940	15,793,570	10,359,248
1941	9,114,726	6,271,467

Quebec Speaks . .

La Tribune
Sherbrooke

Most of the Canadian newspapers which, during the past, may have waged the campaign against the St. Lawrence Waterway project . . . . will surely wish to reconsider . . . . their past objections in the light of actual events. And it will not take them long to admit that the whole problem is altogether different now.

* * *

Le Devoir
Montreal

. . . . We cannot picture immediately the help that the works will bring to the defense of the continent. In Canada the project will not meet with serious opposition . . . . At Ottawa the project will rally an easy majority. The ministers do not seem to entertain the least doubt about that.

* * *

L'Action Catholique
Quebec

. . . . May our French-speaking members participate in the discussion at the House of Commons and prove their ability to deal with great economic questions, be they for or against the realization of this project. And may our provincial members take up the study of this matter, forgetting about elections to be won, while thinking only of the good or bad effects of the canalization!

* * *

Le Soleil
Quebec

. . . . It seems that the conditions offered Canada are advantageous and the opportunity to accept them is undeniable as, for 20 years, it has been generally admitted that we would eventually have to undertake this economic development of the St. Lawrence. Hon. Adélard Godbout is absolutely determined to take advantage of it to improve the conditions of rural and municipal life in the Province of Quebec. He is acting as a wise politician and is rendering a good service to his people.

* * *

Quebec has everything to gain, without risking anything . . . . Up to now this Quebec enterprise seemed to be especially to the advantage of Ontario which, at very little cost, was bound to acquire great reserves of electrical energy. Things may be altogether different in the future. . . . . It has probably been noted that the opposition to the present treaty for the St. Lawrence Deep Waterway comes from privileged groups and their representatives.

* * *

Le Canada
Montreal

The whole population of Quebec will benefit fully from the St. Lawrence Waterways, thanks to the action of the Godbout Government in taking over the Beauharnois canal. . . . . The acquisition of the Beauharnois Power will naturally be done according to the fair rules which govern expropriations. The Province of Quebec will be getting back its due without the transaction being akin to confiscation.

* * *

From the Montreal viewpoint are not the best arguments for the St. Lawrence Waterway to be found in the many condemnations heard against it in the United States?

People in Buffalo, Albany, Philadelphia think of the St. Lawrence development as a crime because they fear it will operate against their own interest and favor the St. Lawrence ports (Montreal, Sorel and Quebec). Here the opponents of the project claim that it will bring ruin to the port of Montreal. Both sides cannot be right. The truth must be one way or the other. Better still, the truth is that the St. Lawrence Waterway is not a "national crime," and will not bring ruin to anyone.

* * *

La Presse
Montreal

. . . . From the double point of view of the projected development of electricity and navigation it seems beyond doubt that this formidable enterprise will be to the advantage of Canada, particularly of the provinces of Ontario and Quebec. . . . . We must also note that a larger number of boats in the St. Lawrence will decrease maritime insurance rates, which cost an additional premium of $3 millions for the ships coming to Montreal, as compared with those which go to New York.

Cracking Down Hard on Sales To Japanese

From Our Own Correspondent

VANCOUVER. — British Columbia industry has again felt the sting from the lash as the Canadian Government cracks down on exports to Japan.

Hemlock logs have now been added to the banned list. A cargo of 3 million feet was ready to load on a Japanese freighter here during the past week when orders came through refusing license for the shipment as required under the new order-in-council placing rigid export control on Canadian goods for countries outside the western Hemisphere except British countries.

The understanding is that each application will be considered on its merits, but the implication is pretty clear that hemlock log shipments to the Axis partner in the Orient will henceforth be as thoroughly subject to embargo as copper, Douglas fir, scrap iron, wheat, flour and other commodities. which accounted for British Columbia's $8.5 millions worth of exports to Japan in the last year before the war.

In 1937 British Columbia sold $12 millions worth in the Japanese market, but since Japan's participation in the war with China she has been obliged to curtail purchases of such products as lumber, fish and general merchandise.

Pulp exporters are wondering whether they will be directly affected by the order-in-council, and it is understood that operating companies here have so far been refused licenses on consignments booked to leave for Japan during the next few weeks. Sales of newsprint to Japan which used to aggregate thirty-five to forty thousand tons a year from British Columbia alone have fallen off to almost nil, but Japanese interests have been buying some pulp.

The Canadian Government declared an embargo on all Douglas fir log exports a year ago, depriving Japan of raw materials for lumber. Now the ban on hemlock logs shuts off the supply of pulping material from this country. The understanding is that hemlock pulp can be used for the manufacture of explosives, and that this is the reason for Ottawa's attitude.

Consumers' Gas Sales Are Up

Gains Shown in Gas, Appliance and Coke Sales

Consumers' Gas Co. of Toronto reports much gas output, 4½% above the same month of 1940. Output for the first half of the year, which began Oct. 1 last, is up about 3%.

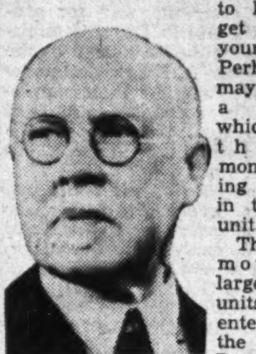
Sales of domestic and industrial appliances together show an increase of more than 20% over the corresponding period of last year, it is stated. Coke sales are about 20% higher, with increases in wholesale sales more than offsetting the decline in the relief trade in the city. Coke revenue has been about the same as formerly.

Recently, Consumers' Gas Co. reduced its rate of dividend from the 10% rate which has been paid for many years to 8%, at the same time placing in effect certain increases in price of gas. Chief factor contributing to this new policy has been higher costs.

Keeping Posted

By JOHN C. KIRKWOOD

If your druggist urges you to buy a large-size unit of a popular pharmaceutical product rather than a small, the chances are he is trying to help you get more for your money. Perhaps he may point to a showcard which shows the actual money saving effected in the large unit.


JOHN C. KIRKWOOD

This promotion of large-size units is an enterprise of the National Drug Co. It has the co-operation of makers of 34 pharmaceutical products in a joint effort to increase the sale of "economy" sizes.

* * *

Letter Friends

When Lancelot Spicer, Englishman, returned to his own country after a visit to Canada and the United States, he wrote to The Times suggesting that his countrymen should regularly exchange letters with friends overseas.

This letter bloomed into the Stationers' Overseas Correspondence Circle, and a branch of it has been established in Canada. Members pledge to "endeavor to write at least once a month to the stationer with whom I am put in touch." The scheme is outlined in the March issue of Canadian Bookseller and Stationer.

* * *

"Our Gracie"

Recently Gracie Fields toured Canada, giving concerts to raise money for the benefit of the men in the armed services. Her tour manager, Carl Eayrs, has written a thoroughly enjoyable article about "Our Gracie" in the April issue of Chatelaine. Now Miss Fields has gone to the United States for the British War Relief Society, seeking $250,000 for the evacuated, the bombed, the wounded and the homeless of Britain.

* * *

Shells

So far the consumption of shells has not been very large, apart from that in Britain in anti-aircraft fire. Canada now has over a dozen plants producing shells, according to Canadian Machinery and Manufacturing News. It says first-class work is being done, methods are modern, equipment difficulties are being ironed out and remarkable ingenuity is being shown.

The March issue of Canadian Machinery describes, with numerous illustrations, making of 3.7 howitzer shells, 6-inch howitzer shells and 40-mm. anti-aircraft shells.

* * *

90% Will Fail

One half of all the restaurants in Canada will change hands this year, and nine out of ten of them will ultimately fail. The reason is nearly everybody believes that anybody can operate a restaurant. The result is that, without either adequate capital or adequate experience, men and women light-heartedly and confidently open restaurants. The truth is that running a restaurant is one of the most difficult of all businesses, and requires more varied talents than many others. See "Restaurants of Tomorrow," March issue of Canadian Hotel Review.

* * *

Posers

War needs produce many new problems for the chemists. Here are two or three "posers" (out of hundreds) which the paint chemist has been called upon to find answers to: A durable paint for ship bottoms; a luminous paint which will stay good for at least two years; a non-skid floor wax; a flexible porcelain enamel for use on steel, a product which will retain a permanent high polish on exterior marble surfaces.

An organization known as Research Advisory Service, has tabulated 1,042 replies from presidents, vice-presidents, and research directors of representative companies in response to this enquiry: What new product, process or material would be valuable to your industry?

* * *

Three Minutes

Foolish hurrying is a prolific cause of accidents. Bus and Truck Transport magazine tells this true story: Two drivers were bidden drive to a town 20 miles away. One was told to observe all the rules of safe driving, while the other was instructed to disregard all rules of traffic safety and to get to his destination as quickly as possible. The reckless driver arrived only three minutes ahead of the safe driver.

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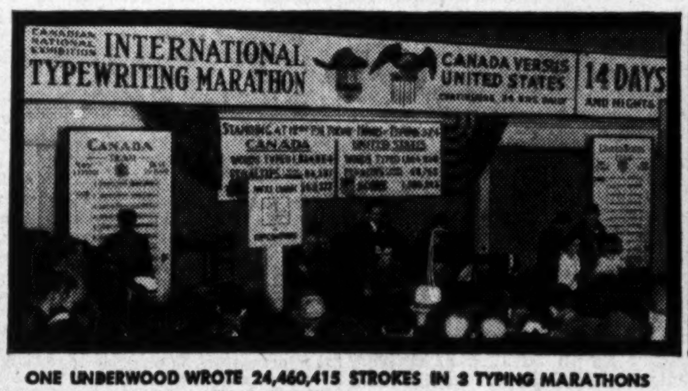
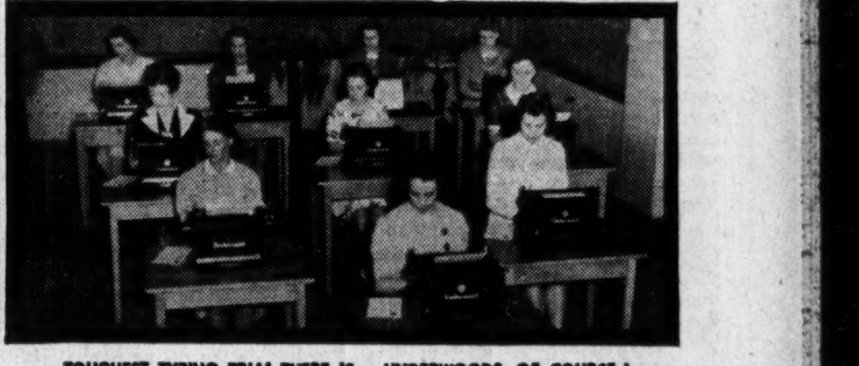

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Investment Trends

New War Front Cuts Stock Rally Short

Prices Tend Downward While Lack of News Adds to Uncertainty — Day to Day War News Still Major Factor

Now that Germany has broken loose in the Balkans, stock markets can be expected to move in direct sympathy with news from the war fronts, until it becomes clearer how the campaigns are going. No matter how much faith we may have in ultimate victory, it is almost inevitable that unpleasant news will be mixed with the good. This unpleasant news will further weaken the already depressing psychology of investors everywhere.

Had the new Balkan campaign not opened, it appeared that stock markets on this continent might have extended the rise of the past week or two into something worth while. They had shown signs of ability to break out of the rut of the past three months. There might have been a chance that stock markets would have paid more attention to the continued strength of business factors, to say nothing of the current strong action of most commodity markets.

Now the time when this can be expected has again been postponed; for how long will depend on the immediate course of the war. American opinion seems to see this year as a waiting period while British strength struggles to maintain successful war and American help strives to get up speed. This view holds that through most of 1941, there will be little disposition for stock markets to discount actual business and earnings figures but that the war will continue to be the determining factor until Germany appears to have lost the initiative permanently.

* * *

Waiting For News

Action of stock markets so far since the new campaign started has been about what might have been expected. With little decisive news available, investors are still trying to see far enough ahead to determine their action. For the next few weeks, an ever closer watch on war news is likely.

So long as one believes in the eventual success of the Empire, any periods of weakness could be utilized to accumulate stocks at favorable prices. This would be on the theory that prevailing prices discount a large proportion of the unfavorable aspects, but fail to give heed to the underlying strong factors. The rebirth of inflation talk in the United States, where commodity prices and wages give hints of starting a race, can probably be added to the factors basically favoring stronger stock prices.

* * *

Abitibi Outlook

So far there have been as few signs of a satisfactory solution to the long-drawn fight over Abitibi as there are that the war will end next month. Premier Hepburn has given proof of his plans to encourage—or perhaps even do more than encourage—a solution based on McTague Commission's report. His new Moratorium Act would prevent any further attempts to hold a sale of the Abitibi assets, except under the rather improbable likelihood that permission of Attorney-General Conant could be obtained.

Talking with those closely in touch with the warring factions in this case suggests that they are as far apart as ever in their ideas and show just as little tendency to work out a mutually acceptable agreement. One man maintains that the Commission confirms that there is a substantial equity for shareholders; another maintains that the Commission's report confirms that there is no equity for shareholders.

Not in this type of comment is there likely to be found the road to a solution of the Abitibi problem. The McTague Report brought out a lot of material and it seems worthy of a better reception than it seems likely to get. Once more, however, events threaten to make it difficult to stir up interest to the stage of accomplishing anything constructive. For investment men, the next two or three months are going to be occupied almost exclusively with work on the coming war loan while the new direction taken by the war interjects another counter-irritant.

* * *

Seagrams Earnings

Considerable speculation has been aroused since Distillers Corp.-Seagrams issued its latest quarterly earnings statement. This shows only 28 cents a share earned on the common compared with $1.31 a share in the three months ended Jan. 31, 1940.

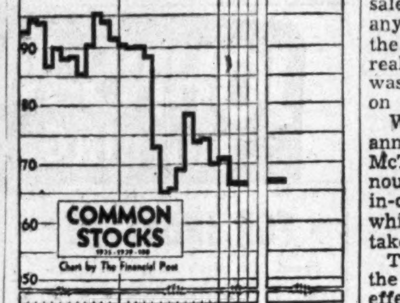
That this was due to circumstances peculiar to this company appears from the statement of Hiram Walker-Gooderham & Worts for the quarter ended Feb. 28 which has just been issued. This latter company showed a small gain in net profits, being equivalent to $1.76 a share on the common compared with $1.59 for the same quarter of 1940.

It has been suggested in New York that one major reason for the comparatively poor showing of Distillers Corp.-Seagrams in the latest period was due to the serious price war which prevailed at that time in the New York market. This probably had some effect, but there must have been something else in view of the report issued by Hiram Walker recently.

Distillers Corp.-Seagrams could do much to ease the questionings of shareholders if they issued a more complete statement in view of the unusual decline in earnings at this time.

Inter. Metal Industries Pays on Arrears

International Metal Industries Ltd., is making an extra payment of $3 a share on arrears on preference and preference series A stocks May 1, to shareholders of record April 15. The quarterly dividend of $1.50 a share will be paid on the same date. After giving effect to the May 1 payments, arrears on the two classes of preference will amount to $13 a share.



Ottawa Car Co. Business Is Up

President Warns Shareholders' Return to be Restricted

Financial statement of Ottawa Car and Aircraft Ltd. for 1940 shows operating profit of $260,811, compared with $149,744 in 1939. Operating profit for 1940 excludes overhead recoverable of $641,036. After depreciation of $135,975, net profit totalled $50,024, compared with $75,781 in 1939 when depreciation provisions of $41,325 was made. Earnings on 90,000 common shares outstanding at the end of 1940 equalled 56 cents a share, compared with $1.29 a share in 1939, when there were 58,895 shares outstanding.

The company has declared dividends of 20 cents a share on its common stock, payable April 15 to shareholders of record April 8. This is part of the dividend that the company hoped to pay last fall, but which could not be paid because of existing uncertainty as to the net result on the large amount of business being done.

It is noted in the annual report that the company had entered into commitments amounting to $605,680 at the end of 1940, covering purchases of approximately $480,000 of machinery, equipment in stores, for war work, and $90,000 for materials for a commercial contract.

Calculate 5% Return

Amount of return to be allowed Ottawa Car on its principal order of 1940 has not been fixed by the Government, but the company has estimated a minimum of 5%.

Some 22,000 sq. ft. of floor space has been added, consisting of a plant for aircraft assembly at the government airport at Uplands. Alterations have been made in existing buildings to accommodate additional machinery.

Amortize Additions in War

Mr. Quain states in regard to the outlook of preferred shareholders:

"The return to the shareholders per dollar of orders received will not be allowed to be what might have been considered fair in other times. Nevertheless, there is good reason to anticipate that the sevenfold increase in the quantity of work turned out by the company will help to make up for the reduced return per dollar of orders and will not tend to offset the low rate of returns that may be finally decided upon as allowable on government contracts."

Further details of the annual report will be found on page 18.

Investment Notes

Toronto Elevators — This company's subsidiary, Sarnia Elevator Co., is building temporary storage capacity at Sarnia to accommodate three million bushels. The cost will be approximately $250,000. Present storage capacity at Sarnia is three million bushels and at Toronto four million bushels. The addition will give Toronto Elevators a total of 10 million bushels.

* * *

Three Rivers Grain & Elevator—Temporary grain storage capacity for three million bushels is being added to the company's present two-million-bushel elevator at Three Rivers at a cost of about $250,000.

* * *

Canadian Car — Announcement that the Toronto Transportation Commission is ordering another 60 of the new streamlined street cars is of interest to shareholders in this company as Canadian Car holds Canadian rights to these modern street cars. Previous orders from the T. T. C. have been for 140 cars in 1939, costing $3 millions, 50 cars in 1940 costing about $1 million, and now another 60 cars, making a total of 250. The latest order is expected to be in service before the end of 1941.

Extend Abitibi Moratorium

Ontario Moves to Block Any Sale Action Without Permission

The Ontario Government has moved to clear the way for proposals of the Abitibi Royal Commission. New legislation known as the Abitibi Power & Paper Co. Moratorium Act will facilitate implementing the recommendations of the Commission, which included a plan for taking the company out of receivership.

Direct purpose of the legislation is to stay proceedings under the pending mortgage sale action of the Bondholders' Protective Committee. It would make consent of the Attorney-General necessary before any new action can be initiated. No further step can be taken in any action already started without the Attorney-General's consent.

Lasts Till 1942

The act will come into force on proclamation when passed and is to remain in force until Dec. 31, 1942, unless terminated earlier.

When the McTague Commission hearings started, the bondholders' committee headed by H. J. Symington agreed to postpone any further steps to bring about a judicial sale of the Abitibi assets. A sale which was held in Oct., 1940, proved ineffective when the only bid received—that of $30 millions from this committee—failed to meet the Master's requirements for a reserve bid.

The committee then announced its intention of asking for a new sale to be held, this time without any reserve bid. The application for the new sale, made by the Montreal Trust Co. late last December, was adjourned subject to renewal on seven days notice.

When the Ontario Government announced the appointment of the McTague Commission, it also announced rescinding of the order-in-council of March 9, 1939, under which the sale proceedings were taken.

The new legislation thus extends the moratorium which has been in effect since the end of 1940.

Contradictory Reaction

Reaction of interested parties to the recommendations of the McTague Royal Commission varies.

Spokesmen for equity interests indicate their general approval of the Commission's plan, as providing a workable basis for arriving at an agreement. They admit that the plan as outlined in the report is not complete. It leaves many gaps but these are felt to be more a matter for working out of details than a failure to make clear an acceptable principle.

These interests feel that a danger of premature default on the bond requirements exists in the working capital provision, requiring $10.5 millions of working capital and providing that sums available above this amount be used to pay interest or redeem bonds. Also they draw attention to failure to deal specifically with present accumulated arrears of interest. They point with satisfaction to the commission's reference to the existence of a possible equity for shareholders.

On the other hand, those close to the bondholders' committee can see little that is good in this report. They interpret the Commission's remarks about the possible junior equity as failure to find that any equity exists.

Simpson's Sales Continue Up

First Quarter Above Year Ago — War Forces Changes in Suppliers

Business of the Robert Simpson Co. for the first three months of 1941 "has continued to show improvement over last year and is quite up to our expectations," C. L. Burton, president, told shareholders at the annual meeting.

This follows a year in which the company's sales showed an increase "over the average for Canada as a whole," or more than 12%. The company's business in 1940 was the highest in its history.

Two considerations accounted for improved 1940 results. One was the general increase in consumer spending power. The other is stated by Mr. Burton to have been "new enterprise in the development of our mail order business, especially in the fall period when our catalogue was enlarged and improved."

Referring to the $872,403 increase in inventories last year, Mr. Burton added that war has brought a change from a buyers' to a sellers' market. New problems in securing required merchandise are being presented by encroachment on regular sources of supply by war industries. Orders now must often be placed far in advance of delivery dates. Deliveries of British-made goods this year are about the same as normal and since the outbreak of war only 1% of British shipments has been lost due to enemy action, the president declared.

Sun Life Stock List Down to 23% Assets

From Our Own Correspondent

MONTREAL.—Sale of 11,000 American Telephone & Telegraph common shares and the purchase of $7.5 millions of the same company's bonds, was the most interesting change in the investment portfolio of the Sun Life Insurance Co. of Canada during 1940.

During the past year the company effected a further reduction in its stock portfolio, bringing the ratio of common stocks to total admitted assets to 23%, or 8% above the Government's requirements of 15% or less.

Increase Bond Holdings

The financial statement reveals bond holdings were increased by $46 millions during 1940, the total now amounting to $507,667,194. Important purchases during the year were $12,061,969 of the United States Government obligations and $23,811,803 of United States public utility bonds.

The ratio between stockholdings and admitted assets has been declining steadily in recent years, the current ratio of 23% comparing with 25% in 1939, 26% in 1938, and 28% in 1937.

Stocks Worth $216 Millions

The report as on Dec. 31, last, on file with the various insurance departments in the U. S., in which the company is licensed to do business, showed the book value of common stocks, amounting to $216 millions, was approximately $26 millions below the total at the end of 1939.

Total admitted assets as at the end of last year amounted to $950,794,366, This compares with $914,767,311 at the close of 1939. Thus, it may be noted the decrease in ratio of stockholdings and total admitted assets was brought about mainly through increase in total admitted assets during 1940 over 1939.

Classification of assets as of Dec. 31, 1940, and percentage of admitted assets, compared with 1939, follows. This is the first time that such a breakdown has been made public by the company.

	Amount (000 omitted)	% of Total	% at end of '39
Bonds—			
Govt. bonds	$204,563	21.5	19.2
Municipals	65,071	6.9	7.0
Industrials	35,416	3.7	4.1
Public utilities	173,081	18.2	16.1
Railroads	29,537	3.1	4.0
Pref. & guar. stks.	14,985	1.6	1.6
Common stocks—			
Industrials	101,727	10.6	11.6
Public utilities	102,743	10.8	11.8
Financial co.'s	9,187	1.0	1.2
Railroads	2,415	0.3	0.3
Miscellaneous assets—			
Mortgages	44,701	4.7	4.3
Real estate	23,559	2.5	2.7
Policy loans	84,814	8.9	9.3
Cash in banks	28,691	3.0	3.6
Other assets	30,306	3.2	3.2
Total assets	950,794,367	100.0	100.0

U. S. Stock Changes

Examination of the investment portfolio reveals the reduction of holdings as spread fairly evenly over the respective classifications. Both United States and Canadian public utility stockholdings were reduced slightly, but bonds were increased.

Following is a list of the more important changes in United States common stockholdings during 1940, by shares:

	1940	1939
Amer. Tel. & Tel.	102,750	113,850
Boston Edison Co.	*24,352	6,088
Cons. Gas, El. L.&P. Bal.	17,756	19,656
Public Serv. N. J.	166,598	170,798
South. Calif. Edison	94,913	96,513
American Can	7,700	10,800
Corn Prod. Refining	104,700	105,600
Int'l. Business Machines	14,800	15,175
Kroger Grocery & Baking	10,255	13,555
Liggett & Myers Tob., B	23,800	33,800
Reynolds Tobacco, B	47,200	66,100

*Four for one split-up.

Figures relating to Canadian common stockholdings have not been made public.

Shipbuilding Shifts Into High Gear

(Continued from page 1)

in charge of the naval building programme. H. R. MacMillan's previous post as chairman of the Wartime Requirements Board, will be filled by R. A. C. Henry, economics adviser to the Department of Munitions & Supply. Mr. MacMillan will establish headquarters in Montreal.

With Mr. MacMillan as president the board of directors of Wartime Merchant Shipping will consist of:

A. E. ARSCOTT, Toronto, general manager of the Canadian Bank of Commerce.

Hon. F. B. McCURDY, Halifax, president of the Eastern Trust Co., the Halifax Chronicle, and Halifax Fire Insurance Co.

GEORGE C. McDONALD, Montreal, partner in McDonald, Currie & Co., chartered accountants.

JAMES D. McKENNA, Saint John, president of the New Brunswick Publishing Co. and Eastern Canada Coastal Steamships Ltd.

ALFRED H. PARADIS, Montreal, president of Paradis & Sons.

AUSTIN C. TAYLOR, Vancouver, president of Bralorne Mines Ltd.

Unlike other government-owned companies, Merchant Shipping will be under the general supervision of Mr. Carswell, rather than under the Minister directly. The reason given is that it is necessary to co-ordinate the programme of freighter construction with naval ship construction and repairs.

The new corporation will be given authority to co-ordinate the production of shipyard materials, including boilers, engines, fittings and other equipment.

Naval Work All Placed

What has Canada achieved in shipbuilding so far?

The big programme of naval ship and small boat construction, is now swinging toward its peak and is expected to narrow down toward the end of this year. It was recently stated that shipyards have in hand all the corvette orders it is now intended to place. Apart from the plan to undertake building of destroyers in Canada, still at the stage of advance survey, a few additional orders for minesweepers are the only major items remaining to round out the naval schedule.

Including the 20 freighters already ordered for British account, and the 400-odd units in the small boat programme, the ship construction programme to date calls for total outlay of $100-$120 millions. The lion's share of this is allotted to construction of corvettes—70 for Canada, 10 for Britain—and minesweepers, of which 40 to 45 are for the Canadian Navy and 25 to 30 for Britain.

To date some 45 corvettes and a number of minesweepers have been turned out of the yards, and actual spending on ship construction of the Canadian Navy alone has totalled around $30 millions. In the current fiscal year this expenditure is to be doubled, the principal items being listed as follows in war budget estimates:

*Destroyers	$9,250,000
Completion corvettes	8,750,000
Completion anti-sub vessels	3,300,000
Anti-sub vessels, part constr.	4,875,000
28 minesweepers, to complete	6,750,000
20 minesweepers, part constr.	6,750,000
Fairmile boats	3,000,000
16 motor torpedo boats	2,056,800
Two base supply ships	1,200,000
Auxiliary craft, small boats, etc.	2,586,000
Contingencies	3,000,000

*Includes amounts to complete destroyers now building and to begin construction of further destroyers. Official data did not make it clear whether this item covered the plan to initiate destroyer construction in Canada, or whether that project was provided for under the item of $3 millions for contingencies.

This projected spending, along with British outlay on their separate commitments, should virtually wind up the existing naval ship construction by next spring. Even if additional orders are placed, they can be focused on the Great Lakes yards, steadily clearing the tidewater yards for the new cargo ship undertaking.

Should the war last another year or two, long enough for the merchant boat project to gain full momentum, this new programme should at least equal the grand total of commitments to date, perhaps surpass it. On the minimum estimate of 60 ships a year of approximately 10,000 tons each, with costs forecast at around $175 a ton, scope of the undertaking would pass $100 millions by the end of next year. Should the higher estimates of 75 to 100 ships a year be attained, expenditure involved would run between $150 and $175 millions.

This project will, of course, be of limited value in meeting urgent immediate need. But it will have a rising potential value in future replacement of ship losses. Should the war end this year or early in 1942, the project might be carried out to provide new shipping for peacetime. Full production for only a year would supply from 600,000 to 1 million tons of new shipping.

U.S. Programme

On straight comparison, Canada's cargo boat programme is modest alongside the recent allotment of $500 millions under the U.S. Lease-Lend plan, for construction of 212 cargo boats. On top of the 60 ships previously ordered for British account, and the 200 simply designed, speedily constructed "ugly ducklings" to be built for the U.S. Government, the Lease-Lend project boosted the total U.S. programme to 472 ships costing well over $1 billion.

However, Canada's programme is ambitious and closely rivalling that of the U.S., when allowance is made for the country's smaller size and the available capacity of its shipyards. On an adjusted population basis, the minimum outlay contemplated by Canada will equal and perhaps exceed the U.S. commitment.

Draft Canada's Resources

Until the spring sea blitz was launched, expansion of capacity for cargo ship building was being held in reserve, partly because of lack of pressure to use it, partly because of Canada's unhappy experience with ships built here in the last war.

In a programme framed late in the last war to meet ship losses, Canada spent close to $80 millions between 1919 and 1921 in production of 65 cargo ships, ranging from 2,800 to 10,500 tons. By the time the undertaking was finally wound up in 1936, total loss from operating deficits and investment written off had run up to $120 millions.

Ship Losses

But with war losses of merchant shipping already running about one million tons ahead of the first half of the last war, the prospect is that the new Canadian-built cargo boats will be readily absorbed by either war or postwar demands. From the start of the war to the end of March, war losses of British, Allied and neutral shipping wiped out some 1,300 ships with a total tonnage of 5,3 million.

This figure is approximately 990,000 tons higher than the total losses for the first two and a half years of the last war. However, the heavy toll of 150,700 tons in the week ended March 2—worst week this year —dropped in the last half of March to an average of 70,000 tons a week.

A major problem to be worked out is how the planned production of destroyers can be dovetailed with present naval shipbuilding and the new cargo boat project, without interfering with either. This is not only a question of clearing enough ways or new yards to lay down destroyers, but also of assuring supplies of materials, fittings and equipment, and developing an increased capacity of trained shipbuilding labor.

There are now some 20,000 workers engaged in the Canadian yards producing ships and in allied industries.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	43.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Weekly Figures:												
Mar. 6	72.1	61.5	69.8	48.7	101.7	87.6	93.7	75.0	67.0	90.2	70.0	65.8
Mar. 13	73.0	63.7	69.7	49.0	103.0	88.8	93.6	75.5	66.3	89.7	70.2	66.3
Mar. 20	74.4	68.3	69.2	49.9	102.5	88.1	93.8	79.6	67.6	89.7	71.2	67.2
Mar. 27	73.9	65.8	69.4	50.2	103.5	87.6	93.9	80.8	67.7	90.0	71.2	67.3
Apr. 3	74.6	64.8	70.4	49.8	103.0	87.7	91.9	80.3	65.7	89.6	71.1	67.3
Mo. ago	72.1	61.5	69.8	48.7	101.7	87.6	93.7	75.0	67.0	90.2	70.0	65.8
Yr. ago	109.1	114.5	114.6	79.0	134.3	116.3	110.2	106.0	92.3	103.1	93.8	90.2

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 8	90.74	99.01	63.50	18.13
Apr. 7	93.03	100.89	64.76	18.96
Apr. 5	93.24	102.00	65.06	18.97
Apr. 4	93.44	102.10	65.54	19.07
Apr. 3	93.63	103.05	65.68	19.06
Apr. 2	93.82	102.84	64.59	19.11
Month ago	91.57	99.13	62.96	18.94
Year ago	125.17	112.66	83.03	31.57
High 1941	103.46	109.76	69.33	21.62
Low 1941	89.68	97.36	62.40	18.71

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 8	46.5	56.5	53.1	64.55	76.49
Apr. 7	46.5	57.2	53.6	67.20	76.38
Apr. 5	46.7	57.6	54.0	68.08	76.67
Apr. 4	47.6	57.6	54.3	69.67	76.68
Apr. 3	47.1	57.9	54.3	69.50	76.49
Apr. 2	47.8	57.8	54.3	68.72	76.57
Month ago	48.4	56.1	53.5	66.94	75.77
Year ago	66.5	88.1	80.9	148.37	89.26
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	46.5	55.1	53.0	61.02	73.77

NEW EXECUTIVE

Harry F. Patterson has been appointed executive vice-president of the Bank of Nova Scotia. Mr. Patterson is a native of New Brunswick and has been general manager since 1934. In 1937 he was elected a vice-president. He is being succeeded as general manager by Herbert D. Burns.

J. S. Mitchell & Co. Calls Preferred

Entire Issue to be Redeemed by June 5 at 110%

From Our Own Correspondent

MONTREAL.—J. S. Mitchell & Co. tells the Montreal Stock Exchange its 7% cumulative preferred stock will be redeemed June 5 by payment of 110% of par value plus accrued dividends. At Dec. 31, 1940, there were $270,600 of these shares outstanding.

Shareholders may turn in their shares for redemption before that date to the National Trust Co. Payment will be made on the basis of 110%, plus accrued dividends to the date of receipt.

Redeems 7,294 Shares

There were 10,000 of preferred shares issued at incorporation in 1923. Since that time 7,294 shares have been redeemed and cancelled. Payment for redemption of the preferred will involve $297,660, to which will be added accrued dividends. At Dec. 31, 1940, the company had current assets of $1.1 million, and net working capital of $769,035.

Market Opinions

Students of market trends continue cautious preferring to await clear indications from the battle fronts in Europe.

Barron's, N.Y. (The Trader)—Except for the inevitable prosperity concomitant of strikes, the business outlook remains as brilliant as it has been since last fall. A business boom eclipsing that of 1929 is in full swing . . . Unless an unpleasant surprise soon materializes, the possibility of a British collapse must become less and less of a market factor and with its passing, facts and figures may gradually get the upper hand of pure fear.

* * *

Barron's, N.Y. (The Dow Theorist)—The Dow theory interpretation of this column continues to be that of a secondary downtrend in a primary bear market, on the principle that a trend is considered to continue until its reversal is signaled, even though when that signal comes, the reversal has been under way for some time.

* * *

Magazine of Wall Street, N.Y.—The market shows scant ability to capitalize favorable war news or high corporate earnings. Although modest additional rally is possible we believe next broad movement is more likely to be down than up.

* * *

Journal of Commerce, N.Y. — Should the recent strength of commodity prices be maintained, several groups of stocks may begin to discount the effect on profits of a substantial rise in commodity prices to the exclusion of other influences.

* * *

Brookmire Counselor, N.Y. — The dynamic forces of expansion, reinforced by inflationary influences, have exerted sufficient upward pressure to overcome the prevailing uncertainties and to push stocks into new high ground for the rally. The growing evidence of underlying progress warrants clients in keeping stock portfolios geared to the armament-stimulated and inflationary expansions.

* * *

Financial World, N.Y.—Investors should continue to confine their holdings largely to good grade common stocks which are affording liberal yields, and which are not primarily dependent upon the defense effort for earning power. For backlog purposes, medium grade bonds and preferred stocks still hold greater attraction for the average individual than do the highest grade issues whose prices are set largely by the level of money rates.

Initial Dividend is Paid By Western Breweries

An initial dividend of 10 cents a share has been declared on the common stock of Western Breweries Ltd., payable April 25, 1941, to shareholders of record April 15. Last previous payment was 10 cents a share on the old $10 par value stock on Aug. 1, 1930.

Earnings for the year ended Oct. 31, 1940, were equivalent to 42 cents a share compared with 25 cents a share for the preceding year.

Maritime Tel. & Tel. Creates New Records

From Our Own Correspondent

MONTREAL. — Maritime Telegraph & Telephone Co. continues to set up new records both in number of stations installed and in long distance toll traffic. At the end of February the company had in service 47,674 telephones, a net gain during the month of 653, and the largest number ever reported by the system.

During February there were 163,656 long distance calls, the second highest in company history, and compares with 122,676 calls handled in February, 1940.

War Savings

Savings Drive Renewed

Shortage of canvassers is likely to be the major worry of War Savings organizers in the second phase of the campaign. The War Services drive ended April 7 and War Savings recommences. If some rebuilding of contact organizations is likely, the committees have the advantage that the present phase will be largely mopping up savings missed in the early part of the campaign.

When the big drive started at the beginning of February, monthly purchases of War Savings Certificates were running about $3 millions. Figures for the two months since are as follows:

War Savings Applications

	Number	Value $	Aver. amount $
1941:			
February	612,216	9,405,932	15.36
March	928,951	10,053,796	10.82

* * *

Two Thirds to Come

The high average subscription for February reflects the "flush production" succeeding the effective general publicity in that month. More stable conditions are shown for March, with small subscribers bringing a larger gross than was realized in February.

From the limited statistics available it appeared that in March about two thirds of the amounts pledged in payroll deduction plans had not yet shown in cash receipts at Ottawa. Reasons for the delay was partly the heavy additional burden placed by the deduction plan on company bookkeepers, partly the delay in forwarding payroll plans to Ottawa until subscriptions could be brought to maximum, partly the lateness of the campaign in some sections which did not close the drive until late in March. Full effects of the February-March campaign are expected to show in April figures, with probable increase to 1.5 million applications for perhaps $15 millions.

* * *

$500 Millions?

"This time we are all in the front line," but the latest British budget shows that Canadians are not yet under as direct fire as their brothers in Britain.

Present estimate of the annual amount going into Canadian War Savings Certificates is around $150 millions, about one fifth the amount which may be borrowed in the next war loan. In Britain similar plans have accounted for two thirds as much as the sale of bonds. On the same basis Canadians should purchase annually at least $500 millions of War Savings Certificates.

C. D. S. Securities Share Value Registers Decline

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities report that as at Jan. 31, 1941, net asset value per share of preferred stock amounted to $19.02 per share as against $22.23 a year ago. The net asset value on Feb. 28 amounted to $18.72 a share, as against $22.32 a year ago.

SAFETY

for your War Bonds, War Savings Certificates and other valuables you cannot afford to lose

YOUR War Bonds or War Savings Certificates represent MONEY. If they are lost or stolen, it may cause you a lot of trouble to recover them, or the money they represent. It may mean the permanent loss of the savings you have put into them.

Take no chances with these and other valuable documents. A Safety Deposit Box in the vaults of this Bank can be rented for a small amount. There, your valuables are SAFE against loss, fire or theft.

THE DOMINION BANK
ESTABLISHED 1871
HEAD OFFICE: TORONTO, ONTARIO
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C. H. CARLISLE, *President*
ROBERT RAE, *General Manager*

"Canadian Aviation" Plays Important Role in Canada's War Service —

This magazine-newspaper of aviation is primarily a medium for useful information on air crew training and aircraft production, maintenance and operation.

It offers the stimulus of constructive criticism and the refreshment of inspiration to men inclined to go "stale" or to lose sight of the objective under pressure of their tasks.

Keymen in the industry are working at a feverish pace. They have no time to read weighty text books or to visit other plants. Canadian Aviation, alert to trends, constantly in contact with a broad field by travel and correspondence of its representatives, provides the fresh information they need.

For example: An ingenious method for cold weather starting of aircraft was first described in Canadian Aviation. Now the invention has been installed on advanced trainers of the R. C. A. F. It will save thousands of hours in the training programme.

Training and inspiration of new personnel is a foremost problem of the aircraft industry. In a typical plant, more than 80 per cent of the workers are new to their jobs. They have to learn quickly and they must pick up information as they go along. Canadian Aviation has a special section devoted to the instruction of factory personnel in the fundamentals of shop practice, aircraft welding, machine tool operation, etc. Inspiration is provided in articles and guest editorials stressing importance of the individual job to the war effort. Intelligent central direction of the aviation effort is as important as a lively industry. Canadian Aviation seeks to increase effectiveness at the top by attacking inefficiency and complacency and by presenting the most constructive suggestions of the Industry's leaders.

Like injections of fresh oil to the gears of machinery, practical ideas are essential to an efficient aircraft industry. Piping the latest information from many sources into a handy reference reservoir, Canadian Aviation is making an effective contribution to the success of aviation in the war.

The MacLean Publishing Company, Limited
TORONTO MONTREAL WINNIPEG NEW YORK CHICAGO LONDON, ENG
28 PUBLICATIONS
GEARED TO "ALL OUT" WAR EFFORT

Bond Markets

Bond Markets Discount Exchange Improvement

New York Bids Rise on Canadian Externals as Toronto Quotes Fall — New Policing For Municipal Administration

In spite of statements denying the imminence of U. S.-Canadian dollar parity, via some form of loan from the United States, bond markets continue to discount an improvement in the exchange position of the Dominion. At present the trend seems to have been halted temporarily by Balkan uncertainties, but the free rate on Canadian dollars in New York has reached 87¼ cents U. S. compared with the official rate of 90.09 cents bid, 90.91 cents offered.

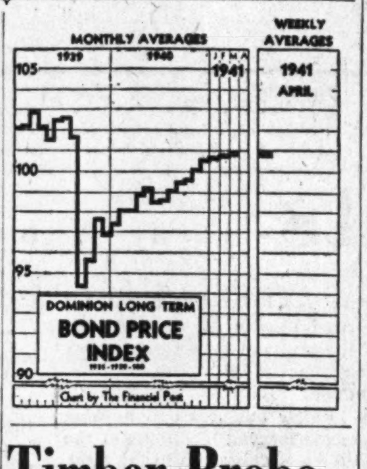
The trend of the two markets indicates that Canadians are apparently placing a lower value on the possibility of the Canadian dollar reaching lower levels, while U. S. investors apparently have become more confident of the continued ability of the Dominion to service its external obligations.

* * *

Spread Narrows

The following table compares the trend of bids in New York on four Dominion Government issues, payable in U. S. funds, with that of Toronto bids for four Dominion-guaranteed issues carrying the U. S.-payment option. The securities have been selected to show trends in the two markets. The size of the spread between the two sets of values has no significance other than an indication of trend.

Average bids:	1941 Mar. 24 $	 Mar. 31 $	 Apr. 7 $
Toronto, 4 Dom.-guar. N. Y. payment option bonds	108.87	108.50	108.31
New York, 4 U. S.-payment Dominion bonds	90.37	90.31	92.19
Spread	18.50	18.19	16.12



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Dwindling Supply

Opinion that exchange premiums would not increase has long been held by some investment men. One or two of these have for some time urged sale of optional payment securities on the assumption that the premium arising through this feature would not long be maintained.

If these deductions prove correct, holders of optional payment bonds may be in for further capital loss. The problem is considerably less important than it used to be to investors. In 1939 the net retirement of Dominion, provincial and corporation bond issues either payable in U. S. funds or carrying that option amounted to $90.1 millions. In 1940 a reduction of $26.6 millions was effected and in the first quarter of 1941, $6.6 millions of these obligations have been retired. No new securities have been issued to increase the supply of U. S. payment bonds.

* * *

Municipal Safeguards

Additional security to holders of Ontario municipal obligations and additional stability is given to municipal finances by the terms of two bills now before the Ontario Legislature.

By Bill No. 78, to amend the Municipal Act, municipal clerks and treasurers must in future have their qualifications certified by the Department of Municipal Affairs. Such vacancies will in future have to be filled within three months. In addition, municipal auditors hereafter appointed must be persons licensed by the Department.

The second bill, to amend the Municipal Board Act, plugs a loophole in that Board's ability to supervise capital expenditures. Under the old act, if a municipality avoided issuing debentures, it was possible to evade the purpose of section 70 of the Municipal Board Act which requires that approval of the Board be given before going ahead with capital undertakings.

Effect of the two bills is intended to lessen the likelihood of municipal incompetence. Increase of the powers of the Department of Municipal Affairs will tend to allay fears of earlier in the year that this Department might have its wings clipped by economy measures.

* * *

Bond Index

Dominion of Canada long-term bond prices averaged slightly lower in the week ended April 3, declining to 100.9 from 101 the week before. Compared with a year ago, the average is up 2.5 points.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Mar. 28-Apr. 3	Preceding week Mar. 21-27	Weekly average year ago
Price	100.9	101	98.4
Yield	95.9	95.8	101.3

Bond Sales

Granby, Quebec

Issue of $125,000 City of Granby serial debentures, for which tenders were called on the basis of 3½% or 4% coupons has been bought by the Bank of Montreal with a bid of 98.56 for debentures carrying a 3½% coupon. Debentures mature April 1, 1942-51.

* * *

Toronto Treasury Bills

Sale of $2,535,000 in interest-bearing treasury bills of the City of Toronto, rate 1½%, is reported by Wm. Harrison & Co., Toronto. Bills are for varying terms up to 90 days and have been sold at prices close to par, principally to institutional buyers, it is understood.

* * *

Sydney, Nova Scotia

Dominion Securities Corp. has purchased $16,000 in 4% installment debentures of Sydney, N.S., at a price of 100.58. Debentures mature Jan. 2, 1942-51. Tenders received were as follows:

Dominion Securities	100.58
Scotia Bond Co.	100.27
Cornell, MacGillivray Ltd.	100.17
Stanbury & Co.	99.95
F. J. Brennan & Co.	99.81
G. E. Leslie & Co.	

Bond Tenders

3 p.m., Apr. 21, Parish of St. Colomb De Sillery, P.Q.—$201,300, 4½%, dated June 1, 1941, redeemable serially in 30 years. F. M. Hackett, sec.-treas.

Timber Probe Gives Report

Establishment of an Ontario Forest Resources Commission is a major recommendation of the minority report from the Ontario Select Committee on the Department of Lands and Forests, recently tabled.

This Commission would administer the province's forest resources in much the same way that the Hydro-Electric Power Commission now handles power matters.

After holding extensive hearings a year ago the committee has now tabled two reports. The minority report, signed by Col. George Drew, Opposition leader; Frank [illegible], Fort William and Dr. Harold Walsh, East Hastings, recommends [illegible] ing changes in the administration of the Department of Lands and Forests.

The majority report does not favor the commission idea. It feels that Ontario would not accept the degree of regimentation that such plans would require.

In the minor section which recommends improvements in the Government regulations covering use of Crown Lands for summer resort purposes, the two reports agree. It is recommended that the machinery for acquiring such lands be eased and outright sale be permitted where only leasing is now allowed.

In addition to the Commission and summer resort suggestions already mentioned, the minority report recommends:

1. Codification of all legislation regarding forest resources in one statute and repeal of the Forest Resources Regulation Act.
2. A judicial enquiry into the promotion, financing and collapse of Lake Sulphite Co.
3. Better use of research, long-term planning into such problems as conservation, reforestation and utilization of forests with publication of full details to those concerned. This would include special plans for creating employment in the forest industries after the war.
4. Public notice before granting of forest areas to any company or individual. Secret negotiations are condemned.
5. Impartial committee of experts to enquire into pulpwood export and its effect on Canadian forest industry.
6. Exploration of possibilities of finding special war work for mills at Espanola and Sturgeon Falls with new chemical by-products of wood suggested.

Proration principle gets support from both reports, although methods of making this effective vary.

P. E. I. To Levy Tobacco Tax

Prince Edward Island will become the third province to tax tobacco sales. In his budget address Premier Thane Campbell announced a tax of 10% of the retail price on tobacco. There will also be a 10% levy on liquor purchased at Government vendors. Liquor may be only purchased on a doctor's prescription, according to laws of P.E.I.

The premier forecast a surplus on ordinary account of $14,904. This will be the first surplus shown by the province since 1928 on ordinary account. There will be a reduction in provincial liabilities of $20,704, according to the budget. Ordinary revenue is estimated at $2,127,312, and ordinary expenditure at $2,112,407.

The province reported a deficit of $121,736 on ordinary accounts in the year ended Dec. 31, 1940, compared with a deficit of $154,667 in the preceding year.

Ordinary revenue in 1940 was $2 millions, and ordinary expenditure $2.2 millions. Capital expenditure totalled $760,243 and capital revenue, $125,262. Debt increased by $627,913 to a total of $9.4 millions.

Actual deficit of $121,736 on ordinary accounts compares with the budgeted deficit of $241,002.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Randolph Hotel.	6½%	1947	May 1	105
Ames Holden Tire	*7%	1943	May 1	105
Viceroy Mfg. ...	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Shawinigan W. .	†3½%	1946	May 15	101
*Drawn by lot $22,300.			†$3,000,000.	
Stock Issues:				
J. S. Mitchell ..	7%	Pref.	June 5	†110

†Plus accrued dividend.

Ottawa Starts Loosening Curb On Publicity For War Effort

From Our Own Correspondent

OTTAWA.—A revised policy will loosen the curb on spread of publicity in the United States about the Canadian war effort.

Establishment of an information officer or press attache to the staff of the Canadian Legation in Washington is expected in the near future. Action may be taken to give Canada a similar spokesman in the United Kingdom.

At home, a move to co-ordinate and balance publicity services of the three defense departments is under way. They may be merged under control of J. W. G. Clark, director of publicity for the Air Ministry.

Change of View

A marked change has occurred in Ottawa since the passage of the Lease-Lend law in Washington. Government leaders have come to the view that effective facilities should be provided to keep the U.S. public informed on Canada.

Heavy demand for authentic information regarding Canada has been developing in the United States in recent weeks. In an unofficial way, a great deal has been done by businessmen, newspaper men and others in disseminating information in the United States. But Canada is far behind in popular knowledge among Americans, and some effort to fill this gap is deemed important for future relations.

Minister Unmuzzled

The change in official attitude was demonstrated by press conferences held by the new Canadian Minister to Washington, Hon. Leighton McCarthy. Shortly after his arrival Mr. McCarthy received the Washington press corps, but gave little or no information and parried questions.

An outcry in Canadian newspapers against the policy of "muzzling" Canadian representatives abroad led to a reversal in policy. Mr. McCarthy staged another press conference in which a definite effort was made to present information and answer questions.

Press Tours Planned

U. S. interest in Canada is apparently not filled by press releases issued by the Bureau of Information in Ottawa, which are sent to many U.S. papers. Last year, a tour of eastern Canadian centres was organized for a group of American publishers and editors. Proposals have been made to repeat this in 1941 on a larger scale. At the same time, prospects are being canvassed for a visit to Britain by a group of Canadian editors and writers. The British Government is reported to be keenly interested in such a visit, which would correspond to the visit of Canadian editors to the war front in France in the last war.

Company Reports

Supertest Petroleum

Volume of products sold by Supertest Petroleum Corp. in 1940 showed a satisfactory increase, states J. G. Thompson, president. Net profits, however, are down, at $2.87 a share on the combined common and ordinary shares compared with $3.57 a share for 1939.

Petroleum prices in the Toronto area, he states, were lowest in some years in 1940, resulting in lower margins. As marketers the company is prevented by Government regulations from participating in sales of aviation gasoline to the air force and what Government business it has obtained has been on a low profit margin.

Government regulations last year resulted in fewer new outlets being opened than in previous years.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Profit from operations	328,199	405,167
Less: Dividends	176,977	149,481
Surplus for year	151,222	255,686
Add: Previous surplus	2,240,100	2,084,414
Less: Real estate w/o.	......	100,000
Surplus forward	2,391,322	2,240,100
Earned per share:		
Common & ordinary .	$2.87	$3.57
Paid	1.50	1.25
Shares o/s:		
Preferred, $25 par ..	8,000	8,000
Common, n.p.v.	25,000	25,000
Ordinary, n.p.v.	85,000	85,000
Working Capital	$	$
Current assets	1,758,241	1,477,285
Current liabilities ...	1,454,576	1,152,040
Working capital	313,665	325,245

Montreal Cottons

Montreal Cottons Ltd. reports higher gross revenues in 1940, but largely because of an increase in income taxes from $164,000 to $533,000, net profits were lower than the year before. Gross revenues last year totalled $1,340,582, as against $1,247,700 the year before. Net profits available for dividends on the common at $134,382 were equal to $4.07 a share, compared with $412,473 or $13.75 a share in 1939.

The balance sheet, end of 1940 records improvement in working capital—$2,264,701 to $2,384,580. A bank loan of $243,138 is shown among current accounts. Bonded debt declined from $377,648 to $368,887, while sinking fund assets increased from $208,001 to $240,408. Inventories and receivables are somewhat higher, while other investments stand at $467,697 compared with $258,117 a year ago. Investment in property last year increased by around $278,000 and now stands at $8.8 millions before depreciation.

Comparative figures on the income and surplus account follow:

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Manufacturing profit .	1,311,195	1,181,939
Add: Int. on invests. .	25,322	23,748
Other income	4,065	42,013
Gross revenue	1,340,582	1,247,700
Less: Depreciation ...	400,000	400,000
Bond interest	18,524	18,941
Exec. salaries	34,500	32,667
Directors' fees	9,540	7,906
Legal expenses	635	1,713
Income taxes	533,000	164,000
Net profit	344,383	622,473
Less: Pfd. divds.	210,000	210,000
Common divds.	120,000	60,000
Surplus	14,383	352,473
Add: Prev. surplus ..	132,567	19,168
Less: S. F reserve ...	40,247	39,074
Contingent res.	......	50,000
Add. inc. tax	11,398	......
Pension fund	......	50,000
Investment res.	......	100,000
Surplus forward	95,305	132,567
Working Capital	$	$
Current assets	4,015,799	3,070,496
Current liabilities	1,631,219	805,795
Working capital	2,384,580	2,264,701

Penmans Ltd.

Penmans Ltd. reports sales of $7.4 millions for 1940, an increase of $1.3 million over 1939, or 22.24%. It is stated that war business counted for less than 7% of total sales.

After providing $500,000 in 1940 for income and "excess" profits tax, net profit totalled $357,328, compared with $328,207 in 1939, when provision for income tax amounted to $125,000. This was equal to earnings on the common stock of $4.54 a share, against $4.09 in the preceding year.

Capital expenditure for the year totalled $211,175. Annual sinking fund payment on the 5½% first mortgage bonds was made, reducing outstanding funded debt by $32,000 to $1.7 million.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Sales	7,352,663	6,014,997
Gross income	1,205,073	797,802
Less: Exec. remun. ..	45,313	44,775
Legal fees	313	627
Directors' fees	4,875	3,825
Operating profit	1,154,572	748,575
Less: Depreciation ...	200,000	200,000
Bond interest	93,564	94,591
Inc. & profits tax ..	500,000	125,000
Bond red. prem. ...	3,680	777
Net profit	357,328	328,207
Less: Pref. divds.	64,500	64,500
Common divds.	193,554	193,554
Surplus for year	99,274	70,153
Add: Prev. surplus ..	1,556,545	1,486,392
Surplus forward	1,655,819	1,556,545
Working Capital	$	$
Current assets	3,441,400	2,935,644
Current liabilities	813,721	379,344
Working capital	2,627,679	2,556,300
Balance Sheet Changes	$	$
Cash	252,505	333,138
Investments	105,043	......
Inventories	2,230,319	1,750,820
Fixed assets (net)	4,403,989	4,523,731
Funded debt	1,674,500	1,706,500

Consolidated Bakeries

Net profits of Consolidated Bakeries of Canada for 1940 were equivalent to 70 cents a share on the common compared with $1.25 a share for 1939. Dividends paid last year totalled $1 against $1.25 in 1939. The rate has been reduced since the beginning of 1941.

Robert McMullen, president, states that unit volume of sales continued to increase last year. Operating profits were materially reduced by higher income tax rates and the imposition of a processing tax of 70 cents a barrel on flour which the company had to pay subsequent to July 23, 1940, without any increase in selling price of bakery products.

Balance sheet shows few material changes. Cash is higher at $207,210 compared with $109,173 a year ago. Investment in stocks and bonds at $1.4 millions is practically the same as at the end of 1939.

Consol. Income and Surplus Account
Years Ended

	Dec. 28 1940 $	Dec. 30 1939 $
Oper. profit	436,870	583,417
Less: Depreciation ...	151,812	141,343
Executive salaries ..	31,751	32,342
Directors' fees	760	600
Solicitors' fees	887	2,022
Net oper. profit	251,660	407,110
Add: Divds & int.	82,041	77,177
Rents	4,178	4,043
Less: Income taxes ...	114,409	89,588
Net profit	223,470	398,742
Less: Dividends	318,443	398,054
Surplus for year	*94,973	688
Add: Previous surplus	234,860	234,172
Earned surplus fwd. .	139,887	234,860
*Deficit.		
Earned per share: ...	$0.70	$1.25
Paid	1.00	1.25
Shares o/s, n.p.v.	318,440	318,440
Working Capital	$	$
Current assets	2,022,541	1,867,224
Current liabilities	583,415	389,898
Working capital	1,439,126	1,477,326

Maritime Tel. Sells Bonds

From Our Own Correspondent

MONTREAL. — Maritme Telegraph & Telephone Co. has sold an issue of $1 million of first mortgage 4% series D bonds, due April 1, 1971. The issue ranks equally with prior series.

At the end of 1940 there were $1.5 million of series B refunding and general mortgage bonds outstanding, and $2 millions of series C.

The bonds have been disposed of privately and no public offering is being made.

Proceeds of the issue will be to reimburse the company for capital expenditures made during 1940.

Montreal Brokers' Loans Record New Low Point

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange amounted to $4.9 millions as at the end of March, last. This figure represents a decline of $127,426 from the previous month's figure and constitutes the lowest figure on record since compilations of loans were started in 1931. At the end of March a year ago loans totalled $13 millions.

ON LAPRAIRIE BOARD

From Our Own Correspondent

MONTREAL. — Col. E. Gerald Hanson was added to the board of directors of the Laprairie Co. at shareholders annual meeting.

Iceland Included In Sterling Area

Faroe Islands and Free French Colonies Also Are Regrouped

Iceland, the Faroe Islands and a number of the Free French colonies are now included in the sterling areas. The Free French colonies named are the French Cameroons, French Equatorial Africa, French Settlements in India and French Oceania, composed of New Caledonia, New Hebrides and Tahiti.

The new ruling will make trade between Canada and the areas mentioned easier than it has been, especially since the Exchange Conservation Act was passed last December.

That Act banned the import into Canada of a wide range of articles from non-sterling areas except Newfoundland and Hong Kong. Formerly Iceland and the other territories named in the new ruling were affected by the ban because they were outside the sterling area.

The new regulation will also make exports from Canada easier because those countries can now pay for the things they buy from us in sterling, instead of the United States dollars we demanded previously from all countries not in the sterling group.

Of the three territories concerned, Iceland is possibly the most important at present owing to the presence of Canadian troops in that country. Normally our total trade with all three areas is relatively small.

TRUST DIRECTOR

James Wilson, president of Shawinigan Water and Power Co., who has been elected to the board of Montreal Trust Co.

Marconi Shows War Effects

All Departments Stimulated — Manufacturing Facilities Extended

From Our Own Correspondent

MONTREAL.—All operations of Canadian Marconi Co. have been stimulated directly or indirectly by war. Net profit was $273,763 in 1940, $233,030 the year previous, according to A. H. Ginman, president.

The overseas telegraph department reflects abnormal conditions, with a decline in commercial traffic, but a substantial increase in personal messages resulted in net increase of operating revenue of 34% over the previous year.

In co-operation with Canadian Pacific Telegraphs a special message rate to members of the Canadian forces overseas was placed in effect.

In collaboration with Cable and Wireless Ltd. a children's free telegram service was inaugurated. This permits war guest children in Canada to send free of cost one message monthly to parents or guardians overseas and to receive one a month.

Plant Extensions Made

Early in 1940 the plant was extended by 23,400 square ft.

The company has entered into an agreement with a quartz crystal producer in the United States to produce the product at the company's plant. Personnel has been trained and the necessary machinery has been installed. It is expected within a few weeks Canada will be independent of other sources of grinding quartz crystals used in radio transmitters and receivers.

Acquires New Rights

The company has acquired exclusive Canadian and Newfoundland rights for "frequency modulation" patents, with freedom to sub-license other Canadian manufacturers.

The Newfoundland-Canada radio-telephone service, which was closed early in September, 1939, because of war, was re-opened June 22 and is showing satisfactory results.

Tamblyn Sales Rise 15% Over 1940

Sales of G. Tamblyn Ltd., Toronto, to Mar. 22, 1941, are showing a gain of 15.14% over the corresponding period of 1940, according to W. C. Scott, president, in a letter to shareholders accompanying current dividend cheques.

Louisiana Land Buys Block of Own Stock

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. report that during February the corporation reacquired 400 shares of its capital stock. As of Feb. 28 last, the corporation held 32,985 of its own shares.

Zeller's Profit Shows Increase

From Our Own Correspondent

MONTREAL.—Annual financial statement of Zeller's Ltd. for the year ended Jan. 31 is expected to show substantial improvement in sales and earnings over the preceding year.

Despite substantially increased provision for taxes, net profit will probably run between $1.85 and $2 a share on the outstanding common stock, compared with $1.61 a share in the previous year.

Inflation and Work Tie-ups Fear of U. S. Executives

(Continued from page 1)

production but in light of its long-term implications.

Said one man of world-wide reputation:

> "The last decade has been the decade of labor. Labor must, however, come to the altar of regimentation. Their accounts must be audited. The rule of 'glass pockets' for corporations must also apply to labor unions.
>
> "It is quite clear that labor has made up its mind both in America and in England to dominate the Government. The solution of this problem will be the testing point of postwar leadership."

The railways of the United States were cited as an example of what has been happening in respect of labor relations in this country for many years now. An important executive of an internationally famous system said this:

> "The public has a general idea that railroads have worked out excellent labor relations, and point to the fact that strikes have been avoided. If they have been avoided it is largely because labor has got everything it wants.
>
> "Heads of labor unions are frequently able men, but are constantly working for re-election. This railroad used to deal with labor union representatives belonging to our own plants but now matters go before a general board and we have lost all contact with our own men. Conditions are becoming steadily worse."

Exploited by Professionals

It is this tendency of some labor leaders to exploit conditions to their own advantage which is cited as a basic reason for present critical relationships in many plants connected with the defense programme.

At the present time, labor is receiving many advantages apart from any increase in wage rates, namely: steady employment and greater yearly income; considerable overtime; more members of the family working. Yet wages, which are estimated at about 80% of the cost of all goods and services, are already being boosted under pressure from these union groups. Unless controlled, this must inevitably lead to the inflationary wage-price spiral.

Between 1914 and 1918 wage rates doubled. Today, the average wage rate in one large plant is put at $1 an hour. Were this wage rate to be doubled again, the effect on the whole economy would be incalculable.

Scientific Formula for Wages

So far, there is little indication that the Government is prepared to take firm action to cope with this. It does not seem to be realized that it is at the start that the most effective action can be taken in controlling the wage-price spiral.

One executive made this important suggestion:

> "A fair and just wage should be a matter of business economy and of economics. Too high or too low a wage rate is bad for everyone. I do not believe it is at all impossible to work out on a scientific basis the correct wage formula for various types of industry."

Speaking of postwar conditions, another executive said:

> "In order to pay the bills for war and for political spending of recent years we are going to have higher taxes. If there are to be higher taxes there will be less money to spend. That threatens our standard of living. The public looks to industry to save the standard of living from the attack on it which has been made by so much government spending. This means that industry must tackle the work of doing a better job with lower costs, lower selling prices and a better appeal to a wider market.
>
> "There has been a tremendous advance in the last 10 years in methods of production. Industry has not yet caught up with this at all and much of it will now have to be left over until after the war.
>
> "In our business we are tentatively figuring on 1944 as the deadline—the time when the shift from peace to war may come. Accurate predictions are, of course, impossible."

Fine Industrial Research

There is extraordinary, and I believe justifiable, pride in the work which the United States is doing in the field of industrial research, quite the most extensive and the best of any country in the world.

At the end of the last war, I was told there were 5,000 men engaged in research work in the United States. By 1928 this had risen to 18,000. Now it is 48,000. This is quite apart from those doing routine work or under Government and university supervision.

Said one executive whose firm employs more than 700 men on research work:

> "Germany abandoned research when she started her intensive production campaign some five or 6 years ago. This was a short-sighted policy and may be a factor in her defeat.
>
> "Every business should have its research department. But it is wrong to visualize industrial research as a laboratory proposition illustrated by the man with the test tube or microscope. It is like confusing the machine shop with the automobile industry. Research is merely scientific investigation on any problem. It must be approached from a long-term view with little expectation of immediate results."

For example, one grave error which Germany is said to have made and which has come to light now has been her dependence on Diesel engines. About 25% of her aircraft are said to be equipped with Diesels, yet I was told they are obsolete today for that purpose and only 2% of aircraft are being so equipped.

Management Shortage

I found very real concern, not as to a general shortage of labor but as to a shortage of management personnel. There is already a serious shortage of foremen and managers.

Men can be trained quickly on mass production work but it takes time to train executives.

This shortage of technically trained foremen is extremely important, and may slow down production to a considerable extent.

Company Report

Candn. Marconi

Canadian Marconi Co. reports operating profit of $731,365 in 1940, compared with $432,752 in 1939. After income from investments and profit on bonds sold in 1940, total income amounted to $833,008, against $504,896 in the preceding year.

Net profit amounted to $273,763 in 1940, after deduction of $220,000 for income and profits taxes. This compares with $233,030 in 1939, following $45,000 provision for income tax.

Net was equal to earnings on the outstanding common stock of six cents and five cents respectively. Dividend of 4% has been declared payable June 1, the same as last year. After transfer of $95,000 to general reserve and payment of dividends earned surplus has been increased by $14,389 to $657,626.

Net working capital increased by $75,747 to $1.9 million.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit	731,365	432,752
Add: Invest. inc.	58,076	72,144
Bond sale prof.	43,567	......
Total income	833,008	504,896
Less: Depreciation ...	280,981	166,948
Exec. remun.	47,875	40,260
Directors' fees	6,600	6,440
Legal expenses	3,789	3,218
Inc. & profits tax ..	220,000	45,000
Spec. invent. res. ..	......	10,000
Net profit	273,763	233,030
Add: Prev. surplus ..	643,238	640,208
Less: Trans. gen. res. .	95,000	30,000
Divds. res. approp. .	164,375	200,000
Surplus forward	657,626	643,238
Working Capital	$	$
Current assets	2,710,089	2,329,337
Current liabilities	767,422	462,417
Working capital	1,942,667	1,866,920
Balance Sheet Changes		
Cash	28,593	382,508
Govt. bonds	342,544	447,207
Accts. rec. (net)	1,097,888	736,061
Inventories	1,241,064	763,561
Accts. pay., etc.	302,016	187,597
General reserve	250,000	155,000

War Housing Units Started

(Continued from page 1)

though Mr. Nicolls did not come to Toronto (where the head office of Wartime Housing has been established), some of his staff were moved there to assist in the nationwide programme.

It has now been decided, apparently, that Wartime Housing will operate under its own steam without further liaison with the housing branch of the Finance Department.

In the new houses now on order or being planned by Wartime Housing, prefabrication will play some part. Most houses will be built on what is called a "demountable plan," erected in such a way that there will be the utmost salvage value after the war. Wherever "prefabrication" does not increase the cost and where it increases post-war salvage value, it is being used. The extent of prefabrication will vary considerably. One factor is the distance between the housing site and the place of manufacture. Long-haul rail shipment is expensive. Where short haul by truck is possible the amount of prefabrication will increase. In some cases houses will be built from panels which are all ready to bolt together. Some will be built from "knock-down" materials.

For the present the work of Wartime Housing Ltd. will be concentrated on building accommodation for single men. Corporation officials are anxious to avoid overexpansion in the building of family housing units until it is very clearly established that what the wartime need and the possible post-war effects are likely to be.

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The Editorial Page . .

Oh, Just Charge It to "War"

Of Canada's $1,450 millions appropriation for war this year the three services, Army, Navy and Air, account for $1,233 millions. Supply gets $178 millions. The balance is distributed among government departments not directly concerned with the fighting services.

Undoubtedly the bulk of this can properly be charged to war account. But there are some other items, several of them of substantial proportions, that seem to have little connection with the war.

There is a total of almost $8 millions asked by the Department of Agriculture under war appropriations. A million dollars of this is for the purchase, storage and distribution of agricultural supplies and over $6.5 millions "to provide assistance in disposal of agricultural products rendered surplus by war." (This has nothing to do with the new wheat policy. Taxpayers will hear of that bill, estimated conservatively at $80 millions this year, later on when the regular budget is being considered).

This special appropriation of $8 millions, is to be used in the same manner as a somewhat smaller appropriation last year. The bulk of the 1940-41 outlay went to the apple growers of Nova Scotia and British Columbia. Ottawa assisted with advertising, in subsidies for processing into apple juice and other products and by outright purchases. Similar payments were made to lobster and other eastern fishermen, upset by the war. Further grants are provided in the new appropriations for this year.

There are other items in the "war" estimates which seem to have been dragged in there unnecessarily. There is $200,000 to complete Toronto's new postal delivery building. Last year the cost of the Dominion-Provincial conference, $7,000, was charged to war. Why?

Recently there has developed a most disturbing tendency to urge all sorts of expenditures under the guise of war necessity or defense. Huge outlays for so called military highways and harbors, far removed from seaboard, have been advocated, and also a new crop of agricultural subsidies in Ontario. We cannot afford to listen to all these requests and fight a war too. Half of the national dollar is already budgeted for war; more of that dollar will be needed before the peace has been won.

Just because some expenditure is distantly related to the existence of a world war it should not necessarily be charged up as a "war cost."

Common Sense in Rent Control

Arbitrary rent pegging in a country as large and diversified as Canada is impractical and, in many communities, most unfair. It will not produce the housing needed imperatively by thousands of additional war workers. It will stunt the natural growth of some industrial centres.

In the initial stages of our switchover from peace to war some sort of a peg may have seemed justified, particularly in those relatively small and largely residential centres adjacent to military concentrations. The object here was not the production of more housing units, which would be tenantless after the war, but simply to prevent profiteering. This was essentially an emergency policy, adapted to meet local and temporary situations. To spread rent control over the country at large is a mistake.

Conditions that apply to a small town like Barrie, Ontario, for instance, have no parallel in a large industrial city like Toronto or Vancouver or even Windsor. A move that might be justified in dealing with the former would be unnecessary and a hardship when applied to the larger centres.

Proximity of troop concentrations or a new war factory to a relatively small and stable city naturally has much quicker and more far-reaching reaction than a similar development in and around the rapidly expanding industrial area. There has been little danger of soaring rents in the latter places, and there will not be in the future if residential building in such areas is encouraged to proceed. Provision of an additional five hundred or even a thousand homes is not difficult. Private capital can and will care for such increases in the larger centres if allowed normal freedom. That is its natural job. It should be encouraged instead of being warned away by a rigid ceiling on rentals, based not on costs, but in many cases on the subnormal levels of the depression.

By a reasonable and flexible rental policy, adjusted to local conditions, the burden of providing new housing for war workers in the regular industrial areas of Canada can be shifted to private industry. This would leave the overburdened national Government free to concentrate on the special problems of providing temporary accommodation for workers in the new and isolated explosive and chemical plants and in the dozen or so old residential towns and cities of the east which have been suddenly upset by nearby military developments.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Where the New Taxes May Fall

To pay for the war, the Minister of Finance has to find much larger tax revenues.

The first rule in taxation is to find the money where the money is. Under conditions of war-inflated industrial development, the biggest increase in income has gone to payrolls.

The farmer is not getting a bigger income. Few industrialists are, and they are already paying enormously increased taxes. The middle-bracket incomes have already been dealt staggering blows in two war budgets.

Thus all the signs seem to indicate that there will be larger income or national defense taxes on industrial workers. The base of taxation may be broadened to bring in larger numbers. And the minimum initial rate, now 2% for N.D.T. and 6% for income tax, may be increased.

It takes political courage for the Government to tax payrolls more heavily. But higher taxation in the lower income brackets seems to be inevitable to pay the war bills.

There is yet no indication that Canada will follow Britain's plan of compulsory savings. But that is a possibility, capable of coming to pass before the war is over. So long as there is adequate response to voluntary savings appeals there will be no compulsion in savings.

Giving the U. S. the Facts

Canada secured some valuable publicity in American newspapers last week through the interview given by Hon. Leighton McCarthy, our new minister at Washington.

Mr. McCarthy told key Washington news gatherers what this country was doing in the way of keeping up its end of joint North America defense, of our mighty aid to Britain, of our growing war strength on land, on sea and in the air.

An interview of this kind should do much to offset the unfortunate and unfounded propaganda concerning Canada's war effort that circulated through the United States during the Lease-Lend debate. Then we were accused of being a nation of Shylocks, of making the Mother Country pay cash on delivery for every single contribution to the war. In contrast, it was stressed, was the generous American proposal to lease or lend anything needed.

Our new minister got off to a rather unfortunate start in his public relations at Washington. When he took up his duties last month, he did not realize apparently, that the American press would be his first caller and give him his first big opportunity. The American public were anxious to hear about Canada and its rôle in the headline events of the day, the war, aid to Britain, lease-lend and North American defense. Mr. McCarthy was not prepared to cope with this thirst for information and the first interview was a disappointment. In his second, however, he has abundantly demonstrated that the lesson has been learned. Hereafter, there is reason to hope, American newspapers will hear more of Canada's story. It is gratifying to hear that Ottawa has decided to place a press liaison officer in Washington.

Mr. Mathewson's Splendid Work

While Quebec is headed for a great gamble in public power, it is in other respects moving with force and speed to bring financial stability back to the province.

For the year ending March 31, 1942, Provincial Treasurer J. A. Mathewson, K.C., is budgeting for an over-all surplus of $362,000.

This achievement may be highlighted by comparison with enormous over-all deficits incurred in the past five years:

1940	$ 50.5	millions
1939	62.5	"
1938	44.0	"
1937	22.0	"
1936	21.6	"
Total	$200.6	"

Net direct and indirect debt at June 30, 1936, totalled $169.7 millions.

By June 30, 1940, it had grown to $345.2 millions, an increase of $175.5 millions, or 103%.

Mr. Mathewson forecasts that this rising tide of debt has been stemmed. Debt reduction of $4.9 millions is provided for in 1941-42 estimates.

For the first time in many years the province is living within its means.

Nor has the betterment resulted entirely from the fortuitous revenue being received from war-spurred economy, although that is a factor. Expenditure has been decreased, as the following indicates:

1941	$ 83.6	millions
1939-40	118.2	"
Decrease	$ 34.6	"

The province will receive $19.7 millions more from increased taxation. No tax reductions have been made, but the province is able to report that its finances are well on the road to rehabilitation.

Premier Godbout and Hon. Mr. Mathewson, his treasurer, deserve hearty congratulations.

Editorials in Brief

So much Italian war equipment has been captured by the British and the Greeks, that in Italy itself, comments the Ottawa Journal, Italy is being called by the jokesters another "arsenal of democracy."

• • •

Nothing gives a greater lift to the spirit than the music of a military band, soundly argues the Montreal Star. Anyone who has marched in or watched a parade without bands knows that it is likely to be a spiritless, lifeless affair, whereas to the music of a band the troops march more smartly, look and feel better, and the spectator cheers and is cheered.

• • •

Hard lying money is not a new kind of currency but simply an extra allowance for comforts to naval ratings serving on in the cramped quarters of the smaller fighting craft, Navy Minister Angus MacDonald explained to mystified landlubber members of Parliament the other day. The allowance ranges from 13 to 30 cents per day, with the payment increasing in inverse proportion to the size of the vessel.

• • •

Latest version of Mr. Churchill's most famous phrase was given the House of Commons by P. C. Black, M.P. for Cumberland, during the passage of an item to pay the deficits on the Hudson Bay Railway to Churchill. He said:

"Never did so many people pay so much for so little as for Churchill."

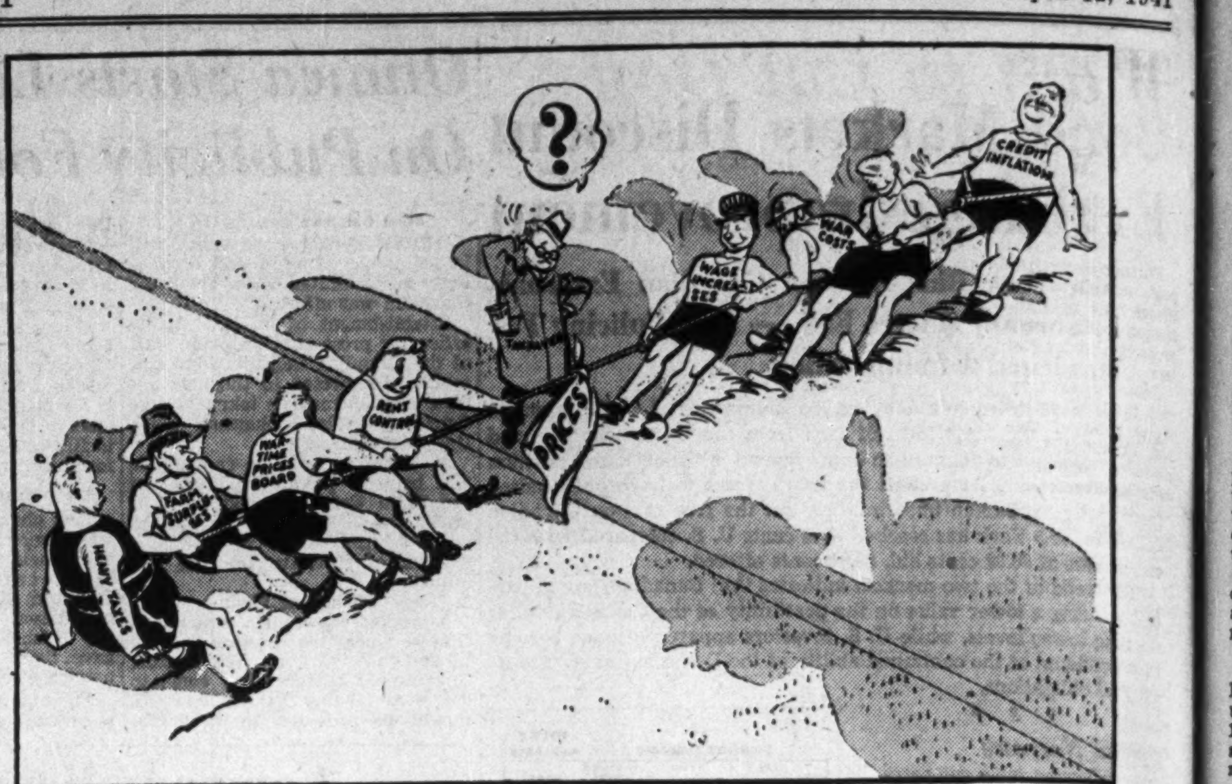
• • •

Trans-Canada Air Lines reports a jump of 150% in the number of passengers carried last year. This is a natural development as this country since the beginning of the century has been notably air minded. For years the Dominion has led the world in the amount of freight carried by air. New and vital gold mines have been brought to the production stage two full years sooner, as a result of air exploration and development. In the first Great War 25% of the pilots with the Royal Air Force were Canadians and Canada now, naturally assumes the predominant share in the development of the Empire's mammoth Air Training Plan.

• • •

Metals do not grow like potatoes in a field, James Y. Murdoch, K.C., president of Noranda Mines, told shareholders last week, emphasizing a fundamental truth too often overlooked by the average citizen. Once metals are extracted they are gone from production for ever. The only way to produce more metals is to find more mines.

Prospectors searching for new mines should be encouraged to the utmost limits. What would have been the history of Canada had it not been for the mining industry through the period of readjustment following the first Great War, asks Mr. Murdoch, who predicted that the same need will arise after the present conflict.



TUG-OF-WAR

—Cartoon by Grassick

Post-Scripts . . . .

Lends a Million

Vancouver's Major Austin Taylor long ago won the reputation for doing things in a big way. He was never satisfied with half measures. His business and private dealings have always been on the large scale.

When he and his associates took over the Bridge River claims that later were to become Bralorne Mines, he set out to make it the biggest gold producing property in British Columbia, and he soon succeeded.

AUSTIN TAYLOR

When he adopted horse racing as a hobby he wasn't content to run his stable on the minor league tracks. A few years ago his Indian Broom took third money in the Kentucky Derby and until the war came along he had his horses regularly running at Santa Anita, Bay Meadows and Tanforan as well as in British Columbia.

Consequently it was in the Taylor tradition that when he decided to lend some of his wealth to the Canadian Government's war effort the transaction was among the biggest recorded. A few days ago he took for his own account one million dollars in Dominion Government non-interest-bearing bonds. His Bralorne Mines had lent a similar amount to the Government only a few months previously.

• • •

In a gaudier era Major Taylor would have been a more spectacular figure. Physically he has all the necessary attributes. He is a big broad-shouldered man in the late 50's, six feet tall and well proportioned, bushy-browed and handsome. But he is a man of few words and prefers to stay in the background, although his many active associations frequently crowd him against his will into the centre of the picture. His only concession to those who would describe him as a picturesque figure is the wide-sweeping fedora which he invariably affects, giving him in some quarters the deceptive appearance of a rich Texas cattleman.

His friends will tell you that Austin Taylor has always been "in the money"; that everything he touches seems to yield dividends or success. But they don't deny that whatever luck Taylor has had has been very largely due to an almost uncanny business judgment, tremendous drive and forcefulness, organizing talent and that flair for doing things in the grand manner.

Born in Toronto, Taylor was one of the late Sir Joseph Flavelle's "bright young men" during the last war. He had been an executive in a locomotive works; Sir Joseph picked him to go west to take charge of the airplane spruce production job for the Imperial Munitions Board.

The fact that Taylor knew very little about the lumber business and nothing of the big-scale logging technique of the west coast did not deter him in the least. He set up headquarters in Vancouver's Rogers building, gathered a staff of experts and went to work. In a few months he had the spruce industry organized, with first class timber toppling in the remote Queen Charlotte Islands and other areas that had hitherto been neglected by the woods crews.

When the war was over Taylor decided to stay in the West, making Vancouver his home. The oil business appealed to him as an opportunity for operations of considerable magnitude. He negotiated a deal between Home Oil Company and Imperial Oil whereby Royalite, Imperial's operating subsidiary in Alberta, took over Home's wells. Then he organized Home Oil Distributors, Ltd.

When the market collapse of 1929 discouraged mining men in British Columbia, Taylor joined with the late Billy Boultbee and Neil McQueen in getting together $95,000 with which they took over control of the Lorne Mine claims. At the time of this deal stock in the mine was selling for six cents a share. A year later, reorganized under the name of Bralorne, it had a 100-ton mill earning more than $22,000 a month. Bralorne currently sells at more than $10 a share and is regarded as the "blue chip" of B. C. mining securities with an annual production of between three and four million dollars.

• • •

But apart from his business and since the war has diverted his attention from the turf, Taylor's major concern has been his well-stocked ranch near Langley in British Columbia's fertile Fraser Valley. On the rolling field of his ranch such famous thoroughbreds as Indian Broom, which ran in the Kentucky Derby, and Whichcee, fleet-running competitor of Seabiscuit and Kayak II on southern tracks, are enjoying well-earned retirement. His younger racing stock is under lease for the war's duration to an American trainer. "This is no time for horse racing," says Taylor.

One of those rare persons who knows how to play and work hard and make money while at both, Taylor is one of British Columbia's outstanding men and possibly its wealthiest—but not a line about him appears in "Who's Who."

• • •

Dean of Queen's Park

Few Canadians can boast the double distinction held by Hon. Harry C. Nixon, Ontario provincial secretary who celebrated his 50th birthday last week. When first elected back in 1919, he was the youngest member, and now after holding his seat continuously he is the dean of the house.

MR. NIXON

Blank-Stoller photo.

Harry Nixon was swept into politics in the tidal wave which engulfed the Hearst Government after the Great War and brought into power the United Farmers party headed by Hon. E. C. Drury. Young Nixon, representing Brant and North Norfolk, was made Provincial Secretary. Coming from the farm and a graduate of the Ontario Agricultural College he had a natural affiliation with the farm revolt which ran through rural Ontario in the closing days of the first Great War.

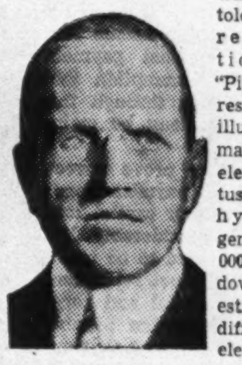
Unlike the majority of the Drury Cabinet or supporters Nixon retained his seat when Hon. G. Howard Ferguson led the Ontario Conservatives back to power in 1923, and served in the opposition as leader of the independents. When Hon. Mitchell Hepburn undertook to restore Ontario Liberalism Nixon teamed up with him and after the 1934 sweep again took over his old job. This he has held ever since with only one tiny break. That occured when Mitch broke publicly with his federal leader Mr. King. Nixon promptly resigned and announced that he would appear on the same platform with Mr. King in Toronto. He did so, too, but Mr. Hepburn refused to accept his resignation and in less than 24 hours he was back at his old job.

Harry Nixon comes from an old and well-known Ontario pioneer family. He lives and operates the original homestead near St. George, where, except for an annual deer hunt, he spends all the time he can spare from his duties in the legislature.

C. G. E.'s D. C. D.

Thomas A. Edison installed Canada's first electric generator at Cornwall, Ont., in 1883. In the years that have intervened, there has been built up in this country an electrical manufacturing industry producing annually about $100 millions of electrical equipment and employing about 25,000 persons.

A leader in this development has been Canadian General Electric Co. The story of how this company grew and what it is today is told in one of its recent publications entitled "Pioneers of Progress." In this is illustrated the manufacture of electrical apparatus ranging from hydro-electric generators of 50,000 h.p. capacity down to the smallest of the 3,500 different types of electric lamps made in its plants. It tells a dramatic story of the part the electrical manufacturing industry plays in our everyday life, a part often not realized in its scope and importance.



MR. DURLAND

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The original companies which formed Canadian General Electric resulted from a merger in 1892 of two United States companies, both of which had maintained branches in Canada and one with a factory at Peterborough. In 1892, Canadian interests acquired the properties and rights in Canada, including right to manufacture electrical equipment as developed by General Electric of the United States. It was not until 1924 that the American General Electric purchased control of its Canadian namesake.

• • •

First representative of the American parent company on the Canadian board was Daniel Clarence Durland who became president in 1925, and last week chairman of the board.

D. C. Durland first came to Canada for what he expected to be a few years stay. His first job was to rehabilitate the newly acquired Canadian subsidiary and to co-ordinate it with the parent company. Under his direction it has progressed until now its sales volume is running at an annual rate more than three times that of 1925 and it has built up a financial and earnings position giving strong assurance of ability to weather whatever may be ahead.

Mr. Durland now regards Canada as his permanent home, although he was born and educated in the United States. His first job after graduating from Princeton University in 1894 as an electrical engineer was with one of the companies affiliated with General Electric. His early association with the electrical industry was as an engineer working at the pioneer development of the application of electrical energy to industry and railroad electrification.

After a period as an engineer, Mr. Durland took a line of activity with the same company which he terms "manufacturing management." In this he was active in directing the use of efficient manufacturing methods—in other words, making certain that the ideas developed by the research department were translated into practical use.

His direct contact with Canada came about when his attention shifted more to executive management and he became in effect a liaison officer co-ordinating the policies and management of the numerous associated and affiliated companies in which General Electric was interested.

Other People's Views . . . . . .

The Canadian Editorial of the Week

More of the Right People

Vancouver Sun

There is a powerful lot of sense in what Mr. Howard Ferguson tells Vancouver when he urges a sound, selective immigration policy for Canada. The census this year will probably show Canada with about 12 million people. That is not enough to look after a country of such productiveness.

We look on Jugoslavia, a country very much in today's news, as a comparatively small nation, but the fact is that it possesses a population greater than Canada, all compressed in an area the size of the State of Oregon. It is mountainous and rugged and lacking in resources, compared with this Dominion.

One generation ago Canada saw its own great frontier movement, when immigrants rolled in by the hundreds of thousands. There may have been mistakes with that policy but the one which succeeded it went too far the other way.

The strongest argument for a change at the end of this war, however, is that the whole economy of the nation itself is changing. Canada has been largely an agricultural and raw materials country. Her processing industries which produce the jobs and payrolls came afterward and her progress in this regard was not sufficient to absorb surplus labor.

Thus we had arguments against bringing in more people when there were not enough jobs for those already here. Moreover, our system of distribution was not adequate and the extremes of abundance and scarcity were not bridged.

Those things are being done today under the pressure of war. And we have said often before, Canada will emerge from this period a highly industrialized nation. To maintain its advance it will need a more substantial home market to keep the factories and payrolls going in peacetime at a level somewhere near that of the war.

Men and women with means and brains will eye our shores, and we should have them as fast as they can be absorbed. A strong but selective immigration policy will be one of the big postwar jobs, and we should be laying the groundwork for it now.

• • •

The Mail-box

Valuable Articles

Editor, The Financial Post:

I just thought I would let you know how much I enjoyed reading Mr. E. G. Bulmer's articles which have been appearing in the recent issues of your paper.

I am sure a great many others will read them with equal interest.

W. Y. DENISON

Ottawa, Canada.

• • •

Senator Pepper on Travel

Editor, The Financial Post:

I do not want the time to pass without expressing my highest commendation and appreciation of your editorial "Let Our Public Men Travel," in The Financial Post of March 22.

I have found that what travel I have been able to experience so singularly profitable that I am in most hearty accord with your comments.

May I add that my visit to Canada was one of the most delightful visits I have ever had, and from the knowledge I gained there I am working to the best of my ability, on some problems that affect both of our countries.

CLAUDE PEPPER

U.S. Senate, Washington, D.C.

• • •

Asks C.P.R. Dividend

Editor, The Financial Post:

As a C.P.R. common stock shareholder of long standing I am very pleased to read your recent article entitled, "Rail Revenue Climbed Sharply," and note the earnings of our company are very large which must indeed be gratifying to the president, directors and all members of the corporation.

With the phenomenal receipts and to the fact that the company is in good shape don't you think it would be a nice gesture on the part of the management if they were to declare a small dividend and pass it on to their long suffering and patient common stock holders in the shape of an "Easter Gift" and in this way earn the gratitude of their many supporters.

SHAREHOLDER.

St. John's, Nfld.

• • •

Stop Me If . . . .

Wife—My husband has no bad habits whatsoever.

Visitor—Does he smoke?

Wife—Only in moderation. He likes a good cigar after he has a good dinner, but I don't suppose he smokes two cigars a month.

AS Others See Us

An Aid to U. S. A.

St. Catharines Standard

The Financial Post discusses the St. Lawrence Seaway project as in the nature of a concession to the United States, an aid to the industry of the nation to the South. In turn, thinks The Post, the United States will provide aid to Canada when and where it is essential. The two countries are assuredly working together in joint defense plans, and it is expected there will be "give and take."

The important problem for Canada in the coming months is to secure American dollars to pay for American goods. Canada would be glad to have credit extension from Washington.

• • •

Tolls on Seaway

Midland Free Press

There is one thing that should be done in fairness to the people of Canada who will foot the bill for the Seaway. Tolls should be charged to all vessels, regardless of nationality, who make use of the new 27-ft. canals, and ships which originate in countries other than Canada and the United States, should pay higher tolls. The Financial Post talks sound sense when it says:

> "Canada should make it very clear to President Roosevelt that this country can no longer afford to make huge capital commitments on waterway account without getting some return toward operating and investment costs. There would be nothing unfriendly about such a move. It would be a commonsense plan, one that is well justified by the economics of transportation and by Canada's present financial straits."

Sayings of the Week

"The lesson today is that the huge reserves (of gold) which have been accumulated, particularly by Great Britain and the United States of America, are financing our fight for freedom of life."—*James Y. Murdoch, president, Noranda Mines Ltd.*

• • •

"There has been far too great a tendency, both in the House and in the Press, to speak of what we are doing as the Government's war effort. We all know it is something far greater than that; it is Canada's war effort."—*Hon. W. L. Mackenzie King.*

• • •

"Wheat is a casualty of the war. The price did not fall until after the Low Countries were invaded, until after France was being over-run and Italy stabbed her in the back."—*J. G. Ross, M.P. for Moose Jaw.*

• • •

"You know that we have resolved to spare no expense, to shirk no sacrifice, to make our country a Niagara of support to those heroic peoples who stand today with indescribable valor in the front lines." — *Senator Claude Pepper, of Florida.*

• • •

"No man can adequately pay tribute to the spirit of the British people—men, women and children alike. I have never seen the slightest sign of defeatism. The more fierce the blitz, the more determined they are to stand up to it."—*Captain Rev. T. W. Jones, supervisory officer of the Canadian Y. M. C. A.*

• • •

"If we are to continue to have the close, friendly relations with the United States that we always have had and should always have, the United States must understand what we are doing, and we must express ourselves, our aims, our actions, to the people of that country."—*Brooke Claxton, M.P.*

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Want to Cut Down U. S. Coal

Western Canada Coal Interests Urge Restriction To Save On United States Dollar Exchange

Further restrictions on coal imports into Canada from the United States may be imposed in the Dominion budget because of our increasing shortage of American dollars.

Canada's adverse trade balance with the U. S. continues to increase. While most of the increase is in war materials—steel and steel products, airplane engines, etc.—there is substantial volume of non-war items still coming in such as citrus and other fruits and vegetables.

But in between these two classes of goods are some commodities, such as coal, both a war and a non-war material.

Imports of $37 Millions

In 1939 Canada imported $37 millions worth of coal and coal products from the United States. In 1940, imports of coal alone showed an increase in volume of 26%, the monetary value not being stated.

The Wartime Economic Coal Committee of the Western Canada Fuel Association is urging Government action to bring about wider use of Canadian coal in preference to American.

The committee urges that the Dominion Government:

1. Prohibit use of United States coal in Canada from the head of the lakes westward.
2. Allow only Canadian coal to be used in Ontario from Sudbury and North Bay northward.
3. Provide for the purchase in southern Ontario of 500,000 tons of western domestic coal to be distributed among all consumers of domestic coal in that area.
4. Prohibit coke made in Canada from American coal being described and advertised as Canadian coke.
5. Require only Canadian coal to be used in Government buildings, military camps and for relief purposes.

Situation in Manitoba

During the first Great War the people of Manitoba were required to buy one ton of Canadian coal for each ton of United States coal they bought.

That regulation, the committee states, was first followed by a storm of protest, but users soon became accustomed to the different product and the result, the committee declares, was that what was once a 90% American market became a 90% Canadian market and has remained so ever since.

The committee believes that once Ontario buyers have given western coal a good trial they will respond in the same way.

Movement of 650,000 Tons

Adoption of such measures would result in some 650,000 tons of western domestic coals being required in the 1941-42 season, it is estimated. This tonnage is said to be within the present capacity of the shipping mines to produce, provided they were given adequate warning.

A further argument used by the committee is that the present use of Alberta coal at 303 points in Ontario indicates that users are satisfied. Prices of U. S. anthracite in Ontario, exclusive of Toronto, are quoted in the bulletin at $14.50 to $16.50 per ton on stove sizes. Alberta coal is listed at $11.50 a ton retail for stove size.

Advantages claimed for the plan include a saving of $6.5 millions in exchange from the use of 650,000 tons of western Canada coal, as well as increased employment at the mines and more traffic for the railways.

The Week in Business

Current business active with D. B. S. index of business activity for week ended March 29 above previous week and last year.

Railway carloadings for week ended March 29 about 33% higher than year ago.

Railway gross traffic earnings for first quarter up 21% from last year for C. N. R. and up 27% for C. P. R.

Sugar grindings for four weeks ended March 22 more than 70% above 1940.

Livestock sales in March higher than year ago for both cattle and hogs.

Employment indices for all industries and manufacturing on March 1 above previous month and last year.

Retail sales in February up 17% from 1940.

Trend of business shown by The Financial Post Indices and following key factors, new items for the week being marked thus ■.

TREND OF BUSINESS—	Mar. 29	Mar. 22	Mar. 15	Mar. 8	Mar. 30/40
Weekly index of business, D.B.S.	111.9	108.6	110.6	110.3	101.6
Commodity prices index no.	86.0	86.0	85.7	85.5	83.2
	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	*152.5	154.6	152.9	153.4	132.9
■Retail sales index no.	130.2	124.5	130.9	123.0	111.5
Dept. stores sales index no.	125.4	123.2	132.0	128.5	108.2
■Wholesale sales index no.	110.6	106.2	125.0	131.7	98.9
■Country store (% change pr. yr.)	+4.4	+2.4	+3.8	+15.4	+12.5
EMPLOYMENT INDEX Nos., D.B.S.	Mar. 1	Feb. 1	Jan. 1	Dec. 1	Year Ago
■All industries	135.3	135.2	134.2	139.1	113.5
■Manufacturing	150.8	147.4	142.5	144.7	122.6
Living costs weekly budget	....	$18.13	$18.26	$18.22	$17.71
			Jan. 1 to date		%
RAILWAYS	1940-41	1939-40	1940-41	1939-40	Change
■Carloadings (week Mar. 29)	57,516	43,567	700,339	604,480	+15.8
■C.N.R. gross (week Mar. 31) $	7,933,064	5,872,336	64,698,467	53,374,115	+21.2
■C.P.R. gross (week Mar. 31) $	5,569,000	3,610,000	45,412,000	35,638,000	+27.4
C.N.R. net revenue (Feb.) $	2,609,117	1,763,188	5,759,511	3,434,984	+67.7
C.P.R. net revenue (Feb.) $	2,608,569	1,972,421	5,274,331	3,800,927	+38.7
IRON AND STEEL—Feb.—					
Pig iron production (tons)	91,165	87,032	194,250	191,735	+1.3
Steel ingots and castings prod. .... (tons)	172,698	140,343	358,975	306,839	+17.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
■Domestic sales* .. (Feb.)	6,728	7,780	12,455	14,518	—14.2
Factory output ... (Feb.)	10,647	12,779	22,637	25,358	—10.7
Trucks and Buses:					
■Domestic sales* .. (Feb.)	2,462	2,054	4,741	4,090	+15.9
Factory output ... (Feb.)	13,063	5,414	24,268	10,048	+14.2
Financing:					
Used .... (Feb.) $	2,890,020	2,223,756	5,297,171	4,016,975	+31.9
New .... (Feb.) $	2,454,932	1,963,864	4,592,801	3,798,852	+20.9
CONSTRUCTION—					
Contracts awarded . (Mar.) $	13,991,900	11,726,100	65,276,300	32,339,700	+102.0
Cement prod., bbls. (Nov.)	643,522	421,373	7,271,232	5,525,756	+31.6
AGRICULTURE—					
■Flour prod., bbls. .. (Feb.)	1,462,187	1,246,798	2,639,556	2,513,101	+5.0
Flour exp., bbls. ... (Feb.)	606,757	559,338	961,575	1,284,655	—25.1
Wheat exp., bush. .. (Feb.)	9,459,594	6,593,237	14,339,674	16,955,842	—15.4
■Cattle sales▲ .... (Mar.)	71,188	64,934	223,645	209,547	+6.7
■Hog sales▲ .... (Mar.)	481,667	354,408	1,525,394	1,119,661	+36.2
SEA FISHERIES—‡					
Catch cwts. .... (Feb.)	280,800	1,137,700	872,700	2,163,600	—59.6
Landed value ...... (Feb.)	452,300	668,700	1,105,400	1,415,200	—21.8
NEWSPRINT—					
Production, tons ... (Feb.)	245,607	231,823	506,905	482,855	+5.0
Exports, tons .... (Dec.)	263,450	255,258	3,242,786	2,658,690	+21.9
MINING AND OILS—					
■Coal prod., tons .... (Feb.)	1,480,601	1,490,355	3,226,083	3,223,036	+0.09
■Coal imports, tons .. (Feb.)	508,412	457,642	1,037,982	914,717	+13.4
Gold prod., fine oz. (Feb.)	411,880	346,739	873,482	773,120	+12.9
Crude oil prod., bbl. (Dec.)	738,454	502,920	8,718,053	7,837,503	+11.2
Crude oil imp., bbl. (Dec.)	2,212,246	1,793,830	42,415,300	37,311,430	+13.7
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,407,068	2,367,031	5,041,763	4,893,174	+3.0
FOREIGN TRADE—♦					
Imports .... (Feb.)	89,631,628	71,041,535	188,014,090	142,145,698	+32.2
Exports .... (Feb.)	100,532,334	72,314,071	189,484,993	163,167,908	+16.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Feb.)	151,941	117,668	316,833	285,195	+11.1
Shoes, prod., pr. ... (Jan.)	1,901,085	2,073,528	....	....	—8.3
Cotton consump., lb. (Feb.)	16,603,876	17,927,590	32,283,458	31,601,104	+2.1
Raw rubber imp., lb. (Jan.)	13,522,707	11,305,227	....	....	+19.6
Cigarette cons. No.† (Feb.)	556,519	500,689	1,180,090	1,134,961	+3.9
■Sugar manufactured .. lb.§	60,847,403	34,864,788	142,081,560	122,751,496	+15.8
FINANCE—					
Bank debits† ...... (Feb.) $	2,540,182	2,955,217	5,481,286	5,629,552	—2.6
Bond sales† .... (Feb.) $	115,288	116,734	196,596,489	436,922,335	—55.0
Life insurance sales (Feb.) $	31,500,000	31,820,000	59,826,000	65,546,000	—8.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.. *Final.
▲Total at yards and plants
New items for week marked ■
†000's omitted. §For four weeks to March 22. ♦Gold excluded.

C. N. R. Earnings Best Since 1929

From Our Own Correspondent

MONTREAL.—Gross earnings of Canadian National Railways in the first quarter of 1941 totalled $64.7 millions, the highest level reached for that period since 1929, when gross earnings amounted to $69 millions. First quarter 1940 gross earnings were $53.4 millions. January gross was up 18.9% over the previous year, February 14.2% and March 30.6%.

Following are gross earnings of Canadian National Railways in the first quarters of the year from 1928 to 1941:

Gross Earnings

1941	$64,698,467	1934	$37,366,442
1940	53,374,115	1933	30,578,027
1939	41,197,441	1932	39,655,304
1938	41,222,982	1931	48,246,453
1937	44,977,189	1930	60,612,446
1936	40,279,771	1929	69,008,912
1935 ...	38,376,400	1928	67,494,444

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Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, analyzed according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports:

CONSTRUCTION CONTRACTS AWARDED

First Three Months

	1941	1940	— Change —	
	— Millions of $ —			%
Residential	12.1	9.4	+2.7	+29
Business	13.9	11.3	+2.6	+23
Industrial	25.2	6.4	+18.8	+293
Engineering	14.1	5.1	+9.1	+178
Total	65.3	32.3	+33.0	+102

March Totals

	1941	1940	Change	%
Residential	4.9	3.8	+1.1	+29
Business	5.3	4.6	+0.7	+15
Industrial	2.9	1.4	+1.5	+107
Engineering	0.8	1.9	—1.1	—57
Total	13.9	11.7	+2.2	+19

Details of Awards in March

	1941 $	1940 $
Apartments	871,500	634,500
Residences	4,077,300	3,166,200
Total residential ...	4,948,800	3,800,700
Churches	72,800	177,900
Public garages	232,100	81,000
Hospitals	12,500	92,500
Hotels, clubs	61,400	94,300
Office buildings	347,800	1,359,300
Public buildings	1,210,200	1,212,700
Schools	32,000	510,200
Stores	632,400	634,700
Theatres	396,300	161,000
Warehouses	2,273,700	334,000
Total business	5,271,200	4,657,900
Total industrial	2,964,500	1,380,200
Bridges	226,300	34,800
Dams, wharves	30,000	212,900
Sewers, watermains ..	143,700	391,100
Roads, streets	321,400	1,233,200
Genl. engineering	86,000	15,300
Total engineering ..	807,400	1,887,300
GRAND TOTAL ...	13,991,900	11,726,100

Building Pace Down 45% In March

Volume of new construction showed a marked decline in March below the February level. While an increase was shown over March of last year, the extent of the advance was noticeably less than the spectacular gains of monthly totals for some months past in year-to-year comparisons.

Total of new contracts awarded last month in Canada is set by MacLean Building Reports at $13.9 millions, a decline of about $11 millions or nearly 45% under the February figure of $24.7 millions. Last year the March and February figures were approximately equal. Chief factor in the February-March drop this year was a sharp decrease of about $10 millions in new factory projects.

Engineering awards also dropped, from over $4 millions in February to less than $1 million in March.

The grand total for all types of contracts showed an increase of 19% last month over March, 1940, but this was much less than the jump of 110% shown by the February total over the corresponding month last year.

Favorable features of last month's activity, in comparison with March last year, were gains of 29% in residential construction and 15% in awards of business contracts. The latter upturn was accounted for by contracts totalling nearly $2 millions for erection of new grain elevators and storage annexes to accommodate Canada's wheat surplus. Location of these units and approximate value of the awards are as follows:

	$
Port Arthur, 6 storage annexes .	1,000,000
Port Arthur, grain storage	175,000
Fort William, grain elevator ...	150,000
Sarnia, Ont., grain elevator	250,000
Three Rivers, Que.	250,000
Total	1,825,000

Contracts for public buildings, including air training and defense structures, were reported at $1.2 million for March, about the same as March, 1940. This type of projects should show considerable increase with advent of the spring building season, but the year's total may not be as high as last year.

C. P. R. Earnings Improve 27%

From Our Own Correspondent

MONTREAL. — Gross traffic earnings of Canadian Pacific Railway Co. in the first quarter of the current year totalled $45.4 millions, compared with $35.6 millions in the first quarter of 1940, an increase of 27.4%. This is the best showing made by the company for any corresponding quarter since 1929, when gross earnings totalled $51 millions. C. P. R. reported betterment in each of the three months: March up 44.8% over the same month last year, February up 18.4% and January 19.9%.

Following are gross traffic earnings for the first quarter of each year from 1928 to 1941:

Gross Earnings

1941	$45,412,000	1934	$27,487,172
1940	35,637,518	1933	23,572,705
1939	29,345,791	1932	28,520,036
1938	30,166,354	1931	35,028,092
1937	31,667,081	1930	41,828,816
1936	29,283,993	1929	50,972,229
1935	26,438,272	1928	50,006,540

Installment Finance Head Sees "Probable Restrictions"

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. ended 1940 with a largely increased volume of wholesale paper outstanding on its books, according to Russell D. Bell, president, in his annual report to the shareholders. This paper should be duly converted, he added, into the more profitable retail paper as deliveries of cars are made to purchasers.

Speaking on the outlook, Mr. Bell said:

"The large increases in payrolls throughout the country has resulted in a corresponding increase in the demand for the kind of durable goods which lend themselves to installment financing. Probable government restrictions, as a war measure, upon the output of such goods will, in all likelihood, have an eventual effect on the amount of business of that type available. Other fields for the sound use of the company's services are being constantly developed.

"Restrictions such as we referred to should create in time a shortage of the articles affected which, as well as enhancing the value of the security in which your company invested its funds, would lead to an accumulating, unsatisfied demand. When peace through victory is finally obtained, such pent-up demand may be expected to call for the fullest possible use of available manufacturing and financing facilities, particularly in the motor car field."

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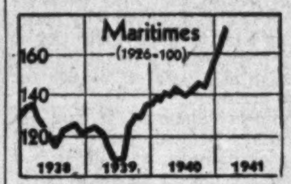
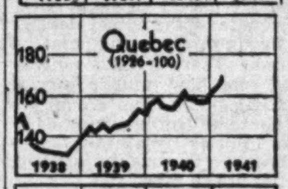
Business Shows Growth In All Economic Areas

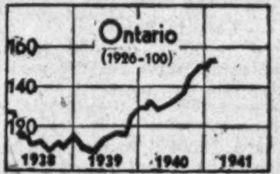
Under the stimulus of war business continues to move to higher levels.

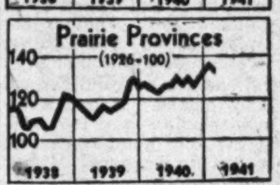
The Financial Post Business Indices, in February, showed gains over last year in all economic areas. The greatest gain per cent was in British Columbia, due mainly to increases in building permits, employment and exports. The smallest gain was on the Prairies, where a drop in construction contracts awarded affected the total.

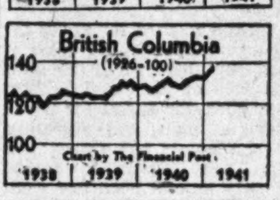
Compared with the previous month, the regional indices were higher in the Maritimes, Quebec and British Columbia. Ontario and the Prairies were both affected by declines in construction contracts in February. Bank debits were lower in all areas.











Trend of Business in Economic Areas

	Feb., 1941	% Change from Feb., 1940	Jan., 1941
Maritimes:			
Constr. contr. .... $	3,927,000	+585.3	1,811,000
Bldg. permits .... $	148,000	+131.3	142,000
Life ins. sales .. $000	2,120	—3.5	2,146
Bank debits $000,000	59.7	—20.7	72.8
Elec. pwr. kw.h.000	67,989	+22.1	84,215
Employment*	135.1	+16.5	135.2
Index	174.0	+25.2	170.0
Quebec:			
Constr. contr. .... $	11,601,000	+180.4	2,826,000
Bldg. permits .... $	1,474,000	+46.4	1,110,000
Life ins. sales .. $000	8,481	—0.6	7,702
Bank debits $000,000	714	—24.7	780
Elec. pwr. . kw.h.000	950,369	—2.5	1,030,727
Employment*	137.7	+20.5	139.4
Newsprint prod. tons	245,607	—6.0	231,823
Index	168.6	+6.0	164.7
Ontario:			
Constr. contr. .... $	7,264,000	+57.6	19,926,000
Bldg. permits .... $	2,780,000	+51.3	1,979,000
Life ins. sales .. $000	14,431	—0.9	12,603
Bank debits $000,000	1,218	—7.4	1,463
Elec. pwr. . kw.h.000	868,386	+3.7	945,126
Employment*	145.7	+21.4	143.4
Livestock slaughter.*	253.3	+58.0	270.4
Steel prod. .... tons	172,698	+23.1	186,303
Auto. prod. ...... no.	23,710	+30.3	23,195
Index	153.1	+18.6	153.7
Prairie Provinces:			
Constr. contr. .... $	766,000	—43.2	1,300,000
Bldg. permits .... $	357,000	+34.2	186,000
Life ins. sales .. $000	4,012	—3.3	3,689
Bank debits $000,000	375	—12.0	449
Elec. pwr. . kw.h.000	174,362	—13.5	201,903
Employment*	111.3	+13.0	112.2
Wheat receipts .. bu.	17,592,000	+211.9	20,790,000
Wheat prices**	75/2	—10.3	74/1
Index	132.6	+4.8	135.8
British Columbia:			
Constr. contr. .... $	1,148,000	+4.0	917,000
Bldg. permits .... $	908,000	+35.1	1,003,000
Life ins. sales . $000	2,210	+4.1	1,927
Bank debits $000,000	173.4	—8.7	176.5
Elec. pwr. . kw.h.000	169,419	+7.2	180,254
Employment*	116.8	+14.7	118.0
Exports .... $	10,369,842	+29.4	9,586,533
Index	137.4	+29.4	135.1

*1926 equals 100.
**Cents and eighths of a cent per bushel.

Important New Commodity To Be Produced Here

With Noranda Mines loaning $250,000 to provide production facilities, Canada China Clay, Ltd. expects to be turning out two important non-metallic minerals by July 1. The two non-metallics are kaolin or china clay—used in the manufacture of paper—and silica for glass manufacture.

With Canada's need for foreign exchange very great at this time, recovery of these products inside the country is expected to aid the war effort materially. Noranda had this in mind in financing the project.

Chief supplies of kaolin are now imported from Cornwall, England, with as much as 65,000 tons brought in yearly. Some is also produced in the State of Georgia. Most commonly used grades are stated to cost around $18 to $19 a ton laid down in Canada. When the new company is in production, it is estimated kaolin can be laid down for $12.50 a ton.

Look to Paper Use

The entire china clay output from Canada China Clay's property, located at Lac Remi, Quebec, about midway between Montreal and Ottawa, is expected to be used in paper manufacture. A supply will be available, however, for manufacture of pottery and chinaware.

Silica sand formerly came from Belgium and cutting off this source of supply left a gap Canada China Clay can help fill. An important saving in foreign exchange will accrue to the country with both kaolin and silica produced here. Another source of silica was previously available in Canada but the plant has not been replaced since its destruction by fire.

Dewatering Shaft

Work is now getting under way at the Canada China Clay property. The shaft is being dewatered and preparations are being made for installation of machinery. A mining method not previously used in Canada, known as "top-slicing," will be used to take out the wide, wet clay material. Miners from the United States familiar with this type of operation are being brought in. Except for climatic conditions, mining from surface could be used as in England.

In previous operations, a shaft was put down to 300 ft. with lateral work carried out at the 300-ft. horizon. This work, surface showings and diamond drilling have outlined the deposit. Kilns will be used to dry the clay as a first step in the processing operation.

Authorized capital of Canada China Clays is 350,000 shares of which 289,900 shares are outstanding. A total of 25,000 shares was issued to Noranda Mines in consideration of the $250,000 loan which is repayable with interest. Noranda Mines also holds an option on 50,000 further shares of stock at $2.25 a share.

President of Canada China Clay is Robert A. Bryce, Vice-president is J. R. Bradfield. Other directors are N. C. Urquhart, S. H. Robinson and C. R. Leonard. With the exception of Mr. Leonard, who represents New York interests, all directors are from Toronto.

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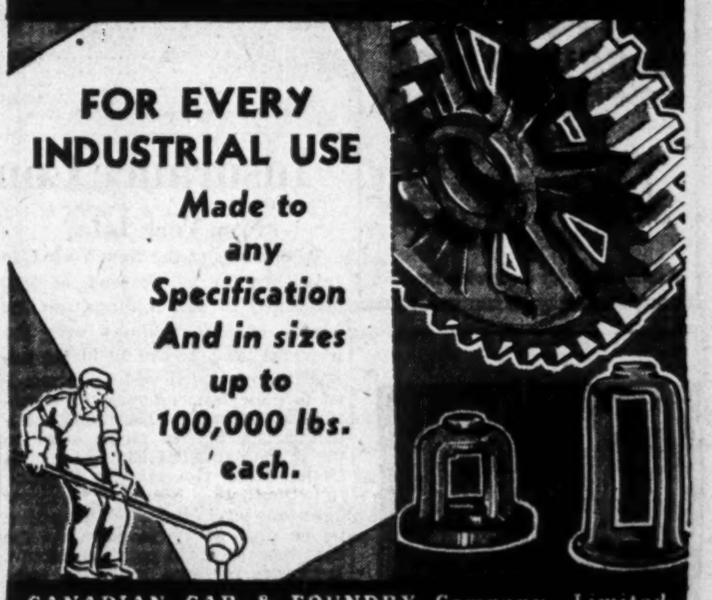

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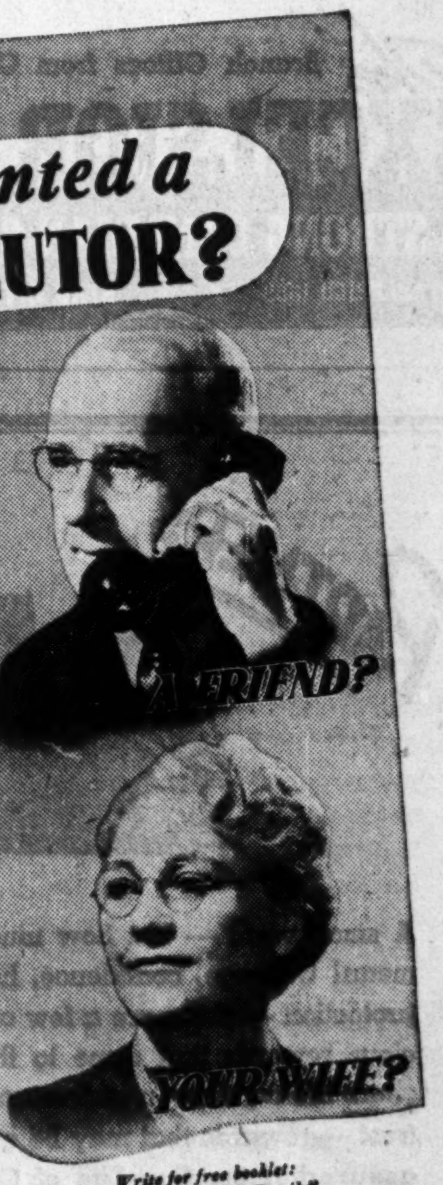
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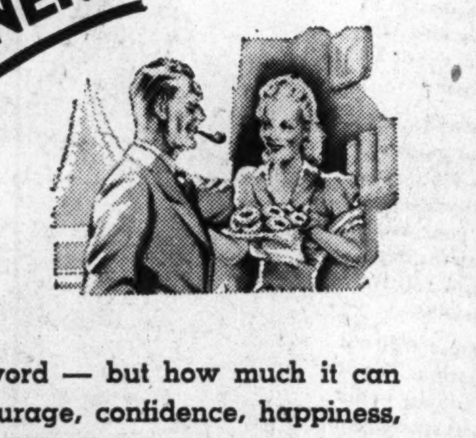

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Life Insurance

Business in Force Higher in Ontario

Total of $3.2 Billions at End of 1940 — New Insurance Issued and Amount Paid Out on Contracts Also Higher

New life insurance issued in Ontario in 1940 amounted to $276.6 millions, a gain of $2.1 millions over the previous year. Due to conservation by existing policyholders and the companies the amount in force, in the province, increased almost $120 millions to $3.2 billions at Dec. 31.

The figures are from the preliminary statement of the Superintendent of Insurance for Ontario. They are on a gross basis.

Total net premiums received by the companies during the year amounted to $88.5 millions compared with $87.1 millions in the year preceding. Of the total in 1940, $65.5 millions came from ordinary insurance, $19 millions from industrial and $4 millions from group.

Total payments on life insurance contracts during the year in the province were $66.6 millions compared with $66.1 millions in 1939. Of the 1940 total $21 millions was paid on death claims, the balance going to living policyholders. A year ago the amount of death claims was $19 millions.

Annuity consideration received in 1940 was $7.5 millions compared with $7 millions in 1939. Total payments under annuity contracts were $2.5 millions in 1940 or $220,000 more than in the year preceding.

Name	— Gross in Force — 1940 $	1939 $	— New Ins. Issued — 1940 $	1939 $
Joint Stock:				
Aetna	84,275,516	81,803,399	1,409,763	3,411,689
Canada	238,630,250	236,353,988	11,013,396	10,523,926
Commercial Life	1,350,451	316,824	1,122,902	27,779
Commercial Union	40,204	57,590	......	......
Confederation	119,926,368	114,988,954	9,644,025	8,870,501
Continental Insurance	21,616,656	20,726,379	2,525,852	2,510,458
Crown	54,843,333	49,766,563	6,789,447	5,922,887
Dominion	68,629,137	68,002,791	4,320,975	4,290,803
Dominion of Canada General	8,348,909	7,845,394	981,042	914,531
Eaton, T.	16,611,404	15,926,853	1,294,633	1,247,092
Empire	22,745,612	22,177,670	2,168,430	1,890,821
Equitable of Canada	30,051,603	29,712,522	1,922,933	2,074,796
Excelsior	50,547,170	48,821,706	4,815,979	5,327,083
Great West	145,346,830	143,597,782	8,775,669	11,338,004
Imperial	104,508,992	102,452,539	6,666,223	7,494,429
Liverpool & London & Globe	38,023	38,834	......	......
London	454,664,534	416,124,643	66,945,381	55,867,116
Loyal Protective	93,327	77,672	27,007	28,000
Manufacturers	119,747,681	119,499,127	8,158,080	8,008,393
Monarch	15,538,675	14,308,781	2,144,855	1,644,875
Montreal	10,533,048	9,712,071	2,150,722	1,572,784
Mutual Life & Citizens	7,641,526	8,376,073	196,591	1,019,223
National of Canada	19,127,402	20,084,704	2,252,400	4,963,038
Northern	21,272,340	20,398,622	2,562,960	2,452,169
Occidental	6,919,861	6,028,740	1,588,862	2,691,630
Prudential of England	16,009,931	13,947,815	2,900,532	2,743,115
Royal	7,778,384	7,654,242	482,682	473,586
Sauvegarde	3,970,397	3,794,301	598,370	590,600
Sovereign	8,981,740	8,005,108	1,888,028	1,593,264
Sun	319,609,325	311,004,202	15,938,671	19,313,918
Travelers of Hartford	46,076,111	44,593,032	2,327,519	2,743,429
Western	2,158,198	1,708,981	1,114,744	1,241,654
Mutual				
Metropolitan	476,677,147	459,035,193	39,614,914	37,632,185
New York	39,998,402	40,980,011	1,135,700	1,358,300
Prudential of America	293,888,034	285,517,775	30,595,906	29,356,213
Royal Guardians	2,509,508	2,519,457	249,668	499,551
Standard†	13,116,192	13,163,057	1,000,540	1,293,359
State*	560,379	573,490	......	......
Toronto Mutual	8,024,340	7,107,964	1,912,147	1,715,127
Other				
Mutual Life of Canada	298,415,158	289,795,128	18,936,073	21,079,935
North American	89,325,815	86,254,580	8,486,182	8,552,199
Totals	3,252,147,913	3,132,854,557	276,659,803	274,578,462

*License not renewed, July 1, 1940. †Years ending Nov. 15.

Insurance Company Reports

New York Life

Total assets of the New York Life Insurance Co. at the end of 1940 amounted to $2.8 billions, an increase of $107 millions over the previous year, according to the annual report which will be forwarded to policyholders over the signature of George L. Harrison, president. The biggest single item in the investments is $798.7 millions of United States Government direct or fully guaranteed bonds. First mortgages on real estate, public utility bonds and policy loans were the next three items in point of amount. Insurance in force with the company as a whole was $6.8 billions, an increase of $64 millions over the previous year while new insurance written was $425.9 millions. On the liability side, the biggest single item is the insurance and annuity reserve amounting to over $2.3 billions.

Insurance in force in Canada at $130 millions at the end of 1940 was slightly lower than in the previous year, while new insurance written in 1940 was also slightly lower. Payments to living policyholders in Canada in 1940 were $2.8 millions while a total of $1.5 millions was paid to beneficiaries of those who died. Investments in Canada at the end of 1940 were $101.2 millions.

	1940 $	1939 $
Total assets	2,869,735,205	2,762,278,482
Invest. in Can.	101,258,167	98,796,823
Ins. in force in Can.	130,612,276	134,855,249
New ins. Can.	3,608,285	4,293,641
Pol. payts. Can.	4,377,953	4,549,786

Canadian Mercantile

Gross premiums written by the Canadian Mercantile Insurance Co. in 1940 totalled $732,584, an increase of $129,384 over 1939, according to the report for the year ended Dec. 31. Losses incurred were up $14,148 to $304,376.

Total assets also were higher, the increase being in cash, bonds and debentures and mortgages. Reserves of unearned premiums rose over $43,000 and surplus also was higher.

	1940 $	1939 $
Prems. written	732,584	603,200
Losses incurred	304,376	290,228
Total assets	1,687,994	1,509,724
Bonds & debs.	1,057,204	1,008,692
Stocks	182,754	182,754
Mortgages	118,622	110,600
Cash	180,550	91,770
Res. unearned prems.	241,145	197,629
Surplus inc. cap.	1,279,469	1,208,032

British Northwestern

Higher assets and surplus and a strong investment position are features of the annual report of the British Northwestern Fire Insurance Co. for 1940.

Total assets at $1.2 millions were $50,000 higher than in the previous year, while surplus at $640,000 was over $36,000 higher than in the previous year.

The company's investments are well diversified among Dominion, provincial and municipal bonds and loan and other company debentures, stocks and first mortgages.

Premiums earned in 1940 were $151,018 and losses incurred including fire $61,594.

The British Northwestern is a Canadian company writing fire, automobile and a number of miscellaneous lines of insurance right across Canada.

	1940 $	1939 $
Prems. written	152,814	155,527
Prems. earned	151,018	155,959
Losses incurred	61,594	39,863
Total assets	1,260,861	1,210,517
Bonds & debs.	887,889	852,303
Stocks	283,048	273,847
Real estate	13,002	13,252
Cash	22,218	22,194
Agents' bal.	47,745	37,044
Unearned prem. res.	113,872	112,077
Surplus	640,962	604,720

Monthly Bank Clearings

	Mar. 1941 $	Mar. 1940 $
Halifax	14,600,961	11,165,048
Saint John	9,425,936	8,664,742
Moncton	3,357,751	3,074,669
Sherbrooke	3,436,842	3,110,919
Quebec	19,477,551	19,230,345
Montreal	453,149,331	443,845,110
Ottawa	225,150,738	80,586,297
Kingston	2,618,243	2,134,630
Peterborough	2,471,031	2,252,759
Toronto	488,578,084	424,779,083
Hamilton	27,618,236	22,244,475
Kitchener	4,757,275	4,406,677
Brantford	3,976,790	3,561,440
London	10,095,413	9,836,527
Chatham	2,539,367	2,651,182
Windsor	14,647,158	11,226,470
Sarnia	1,767,628	1,661,162
Sudbury	4,200,113	3,963,212
Fort William	3,979,498	2,672,271
Winnipeg	157,353,024	145,612,192
Brandon	1,280,811	1,095,000
Regina	14,725,748	12,588,959
Moose Jaw	2,219,871	1,864,016
Saskatoon	5,363,116	4,748,487
Prince Albert	1,437,967	1,173,102
Edmonton	18,493,870	15,618,479
Lethbridge	1,962,527	1,826,429
Medicine Hat	1,097,865	821,183
New Westminster	3,476,099	2,776,482
Vancouver	79,698,698	66,622,274
Victoria	7,779,645	6,808,111
Calgary	22,641,372	17,871,930

Adequate Cover Need is Seen

Lawsuit Illustrates Variety of Claims to Which Motorist Subject

One of the factors that helps to keep the premium rate for public liability cover in automobile insurance contracts up is the difficulty often found in appraising the dollar value of claims that may be presented. It is also a reason why many motorists like to keep their public liability insurance up to fairly high limits such as $20,000 or $40,000 for any one accident.

In property damage, if you injure another person's car or break a fence or damage a wall, it is a fairly simple matter to get a fairly close estimate of the actual damage done. But in injury to the person it is different. There is really no way of being sure how much injury is done. Claimants seldom err on the side of conservatism in asking damages for injuries sustained. Sometimes these are thoroughly justified, sometimes not so much so.

Case in Point

A case recently decided in a Montreal court illustrates the variety of claims for personal injury that may arise out of an automobile accident.

Two men, A and B, were riding in a car driven by A and owned by B, which collided with another car driven by Miss C, who had with her another woman D, and a man E.

D and E and D's husband F, sued A and B for damages. A and B admitted responsibility for the accident and the only point remaining was to assess the damages. Miss C did not sue.

D's husband F, sued for $1,000 for out-of-pocket expenses for injuries sustained by his wife. He was awarded $779 of his claim. D herself then sued for $3,500 for shock and grevious pain and suffering. One of the points she raised was that she was unable to attend church daily as had been her wont formerly. The court admitted it was difficult to translate pain and suffering into dollars and cents and to appraise loss of church-going in money. He estimated however that $700 was fair and reasonable compensation and gave judgment accordingly.

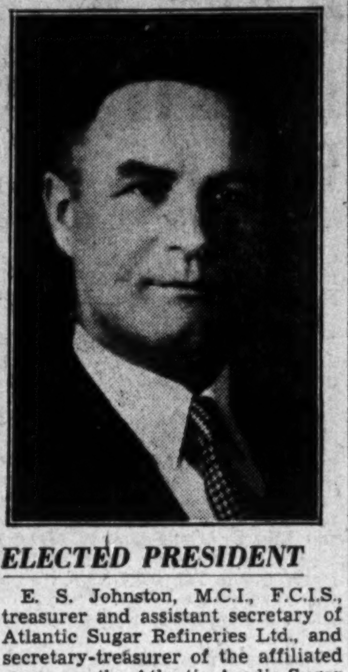
Shock, Pain and Suffering

Meanwhile E, the male occupant of the car driven by Miss C, sued for $713 out-of-pocket expenses including the cost of stay in hospital, $586 for loss of working time, and $5,000 for shock, pain and suffering. He was awarded $466 for his out-of-pocket expenses but as he admitted that after the accident he had wanted a rest he was awarded nothing on that score. Regarding his claim for shock, pain and suffering, at the trial his counsel said he thought $1,000 would be adequate. The trial judge thought $800 would be fair and gave judgment for that amount.

Total judgments payable by A and B therefore were $2,745.

Had the injuries been more severe, the bill for damages could easily have been heavier. A broken back or severe injuries to the spine could easily run into the thousands of dollars.

The possibility of heavy damages for injury to the person is one argument for automobile owners carrying fairly wide limits on their public liability insurance.



ELECTED PRESIDENT

E. S. Johnston, M.C.I., F.C.I.S., treasurer and assistant secretary of Atlantic Sugar Refineries Ltd., and secretary-treasurer of the affiliated company, the Atlantic-Acadia Sugar Sales Ltd., who has just been elected president of the Montreal chapter of the Canadian Credit Institute.

Insurance Problems

State Farm Mutual

Will you give me some information about the State Farm Mutual Automobile Insurance Co. as to its reputation for meeting claims, etc? How does it compare with the tariff companies as regards filing of proof of financial responsibility with the Government?

The State Farm Mutual Automobile Insurance Co. is licensed by the Dominion Government, and as such its transactions are open to the inspection of the Dominion Superintendent of Insurance. The company carries a deposit with the Receiver-General for the protection of Canadian policyholders. This deposit must be kept at a level satisfactory to the Dominion superintendent. It was incorporated in 1922 and Dominion license was issued in 1938. As regards filing proof of financial responsibility with the Ontario Government, the general policy of the Government is to accept insurance carried by any resident with a company licensed to do business here. The company in question is licensed both by the Dominion and the Ontario Governments.

Insurance Notes

Equitable Life Agency

The Equitable Life Insurance Co. of Canada has opened a second Hamilton agency in the Bank of Commerce Chambers in that city, in charge of Jack MacIntyre. Mr. MacIntyre has had 15 years life insurance experience.

The company's original Hamilton agency continues under the direction of W. C. Lawson as manager.

In Toronto, S. M. Wickens has been put in charge of the Equitable's third agency with offices in the Concourse Building. Mr. Wickens is a vice-president of the Toronto Life Underwriters Association.

Confederation Life Assoc. Portfolio Shifts Listed

At the end of 1940 the Confederation Life Association held $88.5 millions principal amount of bonds. This includes government, municipal, corporation and other types, both Canadian and foreign.

They were carried at book value of $87.3 millions and had a market value of $86.9 millions. Compared with the end of 1939, book value is up $3.6 millions and market value is up the same amount. Of the total $68.8 millions principal amount was government and municipal bonds.

Stocks held at the end of 1940 totalled $7.6 millions in book value and had a market value of $8.6 millions. A year earlier, book value of stocks was $7.2 millions and market value $8.8 millions.

Stock Proportion Small

These figures show that stocks were approximately 8.7% in market value of bond holdings at the 1940 year-end compared with 10.5% a year earlier.

A summary of changes made in portfolio holdings of Canadian corporation bonds and Canadian and United States stocks follows. Although not stated in the official list, it is possible that some of the changes are due to receipt of shares in payment of interest or capital adjustments.

Canadian Bonds

Additions	Deletions
*B. C. Power A	†Gatineau A
*Gatineau B	Power Corp.
*Maclaren-Que. A	†Winnipeg Elec. A
Montreal Power	Colonial St'mship.
*N. W. Utilities	Eastern Dairies
*Quebec Power	Fraser Cos.
St. Maurice Pwr.	Sin-Mac Lines
*Canada Bread	
*Canada Steamship	
*Candn. Breweries	
Canadian Oil	
*Eaton Realty	
National Grocers	
*St. John Drydock	

Canadian & U. S. Stocks

Preferreds

Additions	Deletions
*American Tob.	Abitibi 6%
*Can. Industries	†Inter Milling
*Moore Corp.	†Maple Leaf Mill.
*Otis Elevator	
Postal Telegraph	
U. S. Gypsum	

Commons

Additions	Deletions
American Cable	†Beauharnois
Columbia B'cstg.	†Consumers' Gas
*Consol. Smelters	Hazel Atlas Glass
*Consol. Paper	
*Dominion Bank	
Dominion Textile	
*Dow Chemical	
*Eastman Kodak	
*Fanny Farmer	
Freeport Sulphur	
General Motors	
*Imperial Bank	
*Inter. Bus. Mach.	
Inter. Nickel	
McIntyre Porc.	
*Bank of Montreal	
*Noranda Mines	
National Brew.	
*Bank of N. S.	
Postal Telegraph	
*Steel of Canada	
*Bank of Toronto	
*Wright-H'greaves	

*Indicates additions to previous holdings.

†Indicates reductions in holdings but security not eliminated from portfolio.

Montreal Collections At Record in 1940

From Our Own Correspondent

MONTREAL. — Port of Montreal customs and excise collections in the year ended March 31 reach a record total of $158.7 millions. In the preceding year collections amounted to $111.9 millions, or 41.7% lower than the past year.

Collections for the 1941 fiscal year were more than double the depression low of $72 millions recorded in 1932-33.

Quebec's Hydro Plant Ready by Next August

From Our Own Correspondent

MONTREAL. — First provincial hydro-electric plant in Quebec, the 24,000 h.p. station on the Upper Ottawa river will start operation Aug. 1, when it will supply 16,000 h.p. to Noranda Mines, according to Olivier Lefebvre, vice-chairman of the Quebec Streams Commission.

Toronto Customs Show Large Gain For Year

Customs and excise collections for the port of Toronto for the fiscal year ended March 31, 1941, totalled $92.2 millions, a gain of $29.4 millions from the previous year. March collections showed the greatest monthly increase in the history of the port, though not setting a new record for any one month. Collections in March this year totalled $8.9 millions, compared with $5 millions in March, 1940.

Toronto Brokers' Loans Decline in March

Borrowings of members of the Toronto Stock Exchange at the end of March this year, aggregate $7.6 millions, a decrease of $714,355 from the February figure and down $8.3 millions from a year ago.

Quoted market value of all stocks traded on the Toronto Exchange March 31 totalled $3,672.7 millions, up $47.2 millions from the previous month. Ratio of borrowings to quoted market values was .21 of 1% compared with .23 of 1% at the end of February and .35 of 1% a year ago.

THE
Dominion of Canada
GENERAL
Insurance Company
Established 1887
Fire Casualty Life

New Books

Badges of Courage

RANKS AND MEDAL RIBBONS. Published by Collins, Toronto. Price 25 cents.

This is a most useful little handbook, just what we have been looking for ever since the war started. It shows in colors the badges of ranks of all the fighting services and—also in color—all military decorations and their ribbons.

Alfred P. Sloan's Story

ADVENTURES OF A WHITE-COLLAR MAN. By Alfred P. Sloan, Jr., with Boyden Sparkes. Published by Doubleday, Doran and Co., Toronto. Price $2.50.

The life of General Motors chief executive spans almost the entire history of motor car manufacture in America. The fall of the dice was favorable to him. As a young man he got a job as draftsman with the struggling young Hyatt Roller Bearing Co. Hyatt was an inventive genius but not as good a businessman as Sloan. It was this young executive in embryo who saw the company through, booked its orders with all the early automobile manufacturers, merged it in due course with W. C. Durant's General Motors and became not only one of America's wealthiest men but one of its most influential business executives.

The book leaves more unsaid than it tells, which is a gravely disappointing thing, for it is obvious from what Mr. Sloan has articulated through his "ghost," Mr. Sparkes, that he has a rich and colorful story of achievement to tell and much more light to throw upon the lives of the motor makers than he has bothered to shed.

Mr. Sloan is hopeful that the same genius that has given us the mass production of human comforts can keep on making life better for all of us. But it is going to be harder. He is depressed by the rising burden of taxation; he wonders if technological production can outspeed the spending of the people's money by the politicians.

There are some intimate pictures of Ford, Durant, Ketterring, Olds, the Dodges, and other motor men. The pictures are all drawn with kindly lines. Mr. Sloan is no launderer engaged in washing the family linen in public.

Why We Are at War

THE CAUSES OF WAR. By A. Berriedale Keith. Published by Nelson, Toronto. Price $4.

It is some months since Prof. Berriedale Keith finished this volume, but it deals with such fundamental truths that it is likely to remain for a long time as one of the most convincing and objective statements of the conditions that led to war. He is candid in the extreme in assessing British weakness as well as a Nazi culpability for this most terrible of world holocausts. Yet his study can leave no one in doubt that the will to peace was in the democracies; the will to war was in Hitler's mind from the moment of his rise to power. It was Hitler who step by step intrigued to bring about the domination of Germany, regardless of the price the world might have to pay.

The democracies' will to peace was strong but their statesmen were not equally strong. They might have avoided the war by being more ruthless to Naziism before it achieved its great power.

Throughout Prof. Keith's record runs the strange personality of Hitler, a man he shows to be of intellect and great courage, but a sadist and a man not quite sane.

Prof. Keith warns against too much reliance upon such wishful devices as Union Now and the League of Nations if we are to avert the future tragedy of war. He makes it only too clear that a great empire must remain strong and must not seek to evade its responsibilities in flirtations with leftist and other weakening philosophies.

Toward Freer World Trade

BARRIERS TO WORLD TRADE. By Margaret S. Gordon. Published by Macmillans, Toronto. Price $4.50.

Many of those who cannot personally offer themselves to do battle with the fighting services will play important roles in the consolidation of the peace. Among these are the economists. Almost without exception they are agreed that there can be no enduring peace if the world goes on another spree of economic nationalism. How rigid and how high have been the hurdles that people have had to climb in doing business with one another is clearly shown in Mrs. Gordon's most comprehensive study. Her book is a story of unending tariffs, clearings, embargoes, quotas, prohibitions, monopolies, and subsidies.

Few of those who, like Mrs. Gordon, take the trouble to catalogue and interpret the economic barriers to economic progress make the concession of recognizing social and politcal influences. This author does not assume that the economist can easily get his—or her—way. She sees some chance of cleaning out the underbrush of trade barriers. But she feels perhaps it will come on imperial, or regional, lines.

Montreal Stock Sales Increase in March

From Our Own Correspondent

MONTREAL.—Volume of trading in industrial shares improved during March on the Montreal Stock Exchange and Montreal Curb Market, while mining volume showed a further decline. Trading in industrials totalled 180,484 shares compared with 173,470 shares in February. In March a year ago volume, however, was considerably higher, amounting to 488,268 shares.

Mining volume in March amounted to 197,694 shares compared with 225,213 shares in February and 563,972 shares in the same month last year.

What every family should know about
Tuberculosis

Doctors make effective use of the fluoroscope and the X-ray film in fighting tuberculosis.

THE CANADIAN TUBERCULOSIS ASSOCIATION is sounding as its slogan this year, "Tuberculosis must go!"

Authorities experienced in campaigning against the disease believe that this is not simply an enthusiastic dream. For medical science today knows how to control tuberculosis. And the disease is definitely on the run wherever a systematic and vigorous fight has been waged against it.

An example of one such fight is Metropolitan Life Insurance Company's experience with its own family of employees.

In its campaign to stamp out tuberculosis, the Company has recognized the value of two basic activities that *every* family can practice:

1. Looking for tuberculosis among apparently healthy people.
2. Discovering tuberculosis in early stages when its cure is easiest.

As a routine part of the physical examination of its employees, the Company makes regular use of the fluoroscope and the X-ray film in checking up on lungs.

As a result of this program, tuberculosis among Home and Head Office employees has been virtually eliminated. And nearly all the few cases that do occur are detected in the earliest stage—*when cure can be quickest and most certain.*

In this story of our family, there is a lesson for *every* family.

Tuberculosis must be searched for. When it is—by skilled doctors, aided by X-rays and other modern techniques—unsuspected cases are discovered. And when enough of these cases are found early, tuberculosis is conquered—eliminated as a major menace to those we love.

We should look for tuberculosis first among those most likely to be susceptible to the disease. Such as:

Boys and girls in their late teens; young adults, particularly young mothers; workers exposed to dangerous industrial dusts; *all* people, regardless of age, who have been in contact with an active case of tuberculosis, especially within their own families.

There are seldom any signs or symptoms when the disease *begins.* It is then that tuberculosis can be "seen" by the X-ray—the most accurate diagnostic tool available—long before it can be "heard" by the stethoscope, detected in sputum, or felt by the victim. It is then that the disease oan be most effectively treated and its spread prevented.

To help you protect your family against tuberculosis wherever you may live, Metropolitan offers a helpful free booklet, "Tuberculosis". Address Booklet Dept., 4F41, Canadian Head Office, Ottawa.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
FREDERICK H. ECKER, *Chairman of the Board*
LEROY A. LINCOLN, *President*
CANADIAN HEAD OFFICE—OTTAWA

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO

FIRE - CASUALTY - INLAND TRANSPORTATION
1906 1941
British Northwestern
FIRE INSURANCE COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1940

ASSETS

Cash in Bank and on Hand		$ 22,218.58
Balances due by Agents		42,745.17
Accounts Receivable		1,081.35
Investments:		
Bonds and Debentures, at cost	$887,889.40	
Stocks and Shares, at cost	283,048.08	
Real Estate Mortgages, at book value	13,000.00	
Real Estate, at book value	2.00	
		1,183,939.48
Interest Accrued		10,876.60
Total		$1,260,861.18

LIABILITIES

Losses Unadjusted		$ 15,403.38
Accounts Payable		9,183.16
Taxes Payable—Estimated		12,921.10
Due to Affiliated Companies		14,819.17
Reserve for Bad Debts		5,000.00
Reserve for Unearned Premiums		113,872.68
Capital Stock:		
Authorized — 50,000 Shares of $40.00 each	$2,000,000.00	
Issued — 14,860 Shares on which there has been paid		248,699.20
General Investment Reserve Fund		200,000.00
Surplus		640,962.49
Total		$1,260,861.18

HEAD OFFICE — TORONTO
J. H. RIDDEL, President and Managing Director
V. G. CREBER, Asst. Manager S. FAIRLEY, Secretary
BRANCH OFFICES
WINNIPEG—A. C. Ruby, Branch Manager
VANCOUVER—M. Nevill, Branch Manager

Pulp and Paper Industry

Operators Strengthen Financial Fences

Pulp and Paper Manufacturers Effect Marked Improvement

From Our Own Correspondent

MONTREAL. — Given another year or two of operations such as 1940, most operators in the Canadian pulp and paper industry will have so improved their financial positions that they will be in a good condition to cope with after-war problems.

Problems of the industry have been widely publicized of late years. Improvement in the individual position of the operators has usually been overlooked. It is only when considered in the aggregate that the investor realizes the industry has gone a long way forward in re-establishing its position on a sound financial footing.

Heretofore the stress has been on lack of tonnage, Scandinavian competition, prorationing of tonnage, prices and even reorganizations. Most investors are inclined to think of the industry as still being in the financial doldrums, whereas the truth is the industry has made very considerable headway.

The betterment has been particularly marked over the past year. Tonnage increased; better returns were realized and operating costs were kept down. As a consequence, and despite the heavy increase in tax provision, the net gain was most pronounced.

Last year collective returns of 12 major operators—representing all branches of the pulp and paper industry—show an improvement of 22% in net working capital position—from $35.4 millions to $43.6 millions.

Bank loans were nearly wiped out—from $10.5 millions to $2.4 millions, a decline of 77½%.

Funded debt was reduced 3.8%; inventory values increased 12.3%; depreciation reserve, 38%.

Of equal interest is the fact that these 12 companies provided for an income and excess profits tax bill of just over $5.6 millions, or 10 times as much as was reserved in 1939.

Paying Their Way

The aggregate changes under these principal headings in 1940 compared with 1939 is set out hereunder:

	1940	1939	% Change
	(millions of $)		
Working capital	43.6	35.4	+22
Bank loans	2.4	10.5	−77½
Inventories	36.5	32.5	+12.3
Income tax	5.6	0.5	+1000
Depreciation	13.1	9.5	+38
Funded debt	108.6	112.8	+3.8

These returns are based on the financial statements of Price Bros. & Co., Consolidated Paper, St. Lawrence Paper Mills, Brompton, Lake St. John Power and Paper, Bathurst, B. C. Pulp, Fraser Cos., Donnacona Paper, Howard Smith Paper Mills, Rolland Paper, Dryden Paper. Between them they produce practically every type of pulp and paper product manufactured in Canada.

Better Working Capital

A breakdown of the aggregate returns brings to light a number of interesting points emphasizing the improvement which has occurred in the financial position of the individual operators.

In respect to net working capital, Price Bros., Consolidated Paper, St. Lawrence Paper Mills, and B. C. Pulp recorded substantial increases.

Gains reported by the other companies were relatively small. Donnacona Paper was the only company to report lower working capital at the end of 1940.

Bank Loans Small

There were only three companies with bank loans at the end of last year—St. Lawrence Paper, Fraser Cos. and Donnacona.

Brompton, Bathurst and Rolland had no bank loans in either 1940 or 1939.

Price Bros., Consolidated Paper, Lake St. John., B. C. Pulp, Howard Smith Paper and Dryden liquidated all indebtedness to the banks.

Inventory Policy General

The feature of the individual inventory position was the seeming maintenance of a general policy—no appreciable increase in inventory.

St. Lawrence Paper, Lake St. John Power and Paper and Fraser Cos. actually decreased their inventories.

Bathurst, Rolland, Donnacona and Dryden reported a relatively heavy increase in inventories—but in no case as much as 50%.

Tax Charge Heavy

The really outstanding changes occur in the provision for income and excess profits tax. In this category the returns were all alike—an exceedingly heavy increase in taxes, even though the majority, if not all of the companies, reported tax provision on a minimum basis. The increases are particularly striking and show that the pulp and paper industry is paying heavily into the coffers of the Dominion treasury. This is set out in detail in the following list:

Reserve for Income and E. P. Tax

	1940 $	1939 $
Price Bros.	1,000,000	67,890
Consolidated	407,700	......
St. Law. Paper	267,076	......
Brompton	302,940	63,798
Lake St. John	61,000	......
Bathurst	504,418	16,238
B. C. Pulp	850,000	9,200
Fraser Cos.	310,500	......
Donnacona	69,918	2,246
Howard Smith	1,794,693	300,369
Rolland	72,109	41,598
Dryden	......	......
	5,640,354	501,339

Set Up Larger Reserves

Practically all of the companies in the group took advantage of the increased volume of business, etc., to increase reserves for depreciation and depletion. In some cases the write-up has been particularly heavy. Whether or not these heavy write-ups will be acceptable to the income tax authorities remains to be seen.

Not all of the operators boosted their depreciation and depletion reserves. In many cases reserves for 1940 are practically the same as in 1939, or the change is so slight as to make no material difference.

Some of the more outstanding increases are reported by B. C. Pulp, $225,000 to $740,000; Price Bros., $1,162,500 to $1,884,392; Consolidated Paper, $3,404,154 to $4,480,654; Brompton, $375,452 to $471,944; Lake St. John, $286,204 to $556,426; Fraser Cos., $1,082,344 to $1,582,026; and Dryden, $97,252 to $215,257.

In respect to funded debt the group reports very little change; the overall reduction amounted to only 3.8%. Consolidated Paper and Fraser Cos. did better than average in reducing their funded debt.

Canada's Newsprint Capacity Well in Excess of Demand

From Our Own Correspondent

MONTREAL.—Capacity of Canadian newsprint mills is far in excess of demand for newsprint, according to the report of the Royal Commission enquiring into affairs of Abitibi Power & Paper Co. It is pointed out annual Canadian capacity has increased from 3,389,000 in 1929 to 4,307,000 in 1940. The idle capacity during this period was greatest from 1930 to 1933 and since that time, except in 1936 and 1937, has approximated 30% of the entire Canadian capacity.

Existence of this spread between capacity of Canadian mills and shipments, the report goes on to say, means that in competition for business the mills are likely to slash their prices below the level at which operation can be profitable unless a policy of proration is pursued.

It was stated before the commission the proration of tonnage is a difficult position to maintain and that there are few industries in Canada operating at 75% of capacity. Where an industry operates at that level or more there is but slight incentive to cut prices. Figures placed before the commission, however, disclosed that for a number of years production had been less than 70% of capacity.

The commission expressed agreement with the view expressed by G. T. Clarkson, receiver and manager of Abitibi Power & Paper, that if proration is not maintained the industry will go back to the condition existing in 1932 and 1933.

AGENCY CHIEF

Miss Hazel Kelly has been appointed manager of the Toronto office of Stevenson & Scott Ltd., advertising agency, succeeding the late D. L. Reburn. Miss Kelly has been in advertising work in Toronto for 18 years, and for the past three years with Stevenson & Scott Ltd.

U. S. Paper Trade Shows Strength

From Our Own Correspondent

MONTREAL. — Encouraging reports from the trade reflect a view that a broader demand for paper is beginning and that sales volume in some lines will steadily advance, according to reports of the U. S. market situation by the Paper Trade Journal.

The kraft paper division of the industry is now in a strong position, current orders are above production, and most mills are operating at capacity. The backlog of orders is relatively small at this date, but reports from some quarters of the trade express concern about the possibility of a lack of shipping facilities later on. Exports of kraft paper are now reported handicapped by lack of cargo space.

Shipping Problem Expected

As the production of military goods in the States continues to increase sharply, some businessmen reason a bottleneck is likely to be experienced in shipping to South American ports.

Paper and pulp shipments from the Pacific coast are reported moving without apparent difficulty at this date.

U. S. Pulp Mills Operate Near Effective Capacity

From Our Own Correspondent

MONTREAL. — Pulp production in the United States was well maintained during February. With 87% of the industry reporting, United States Pulp Producers Association reports production of 612,998 tons. This compares with 672,198 tons in January and 621,504 tons in December, both of which are longer working months.

There was no particular change in the rate of operations during February. Sulphite mills, representing 98% of the industry capacity, report an output of 198,219 tons, while 96% of the sulphate industry, reported production of 306,320 tons. About 60% of the industry's groundwood capacity reported production of 95,326 tons.

Stocks of pulp on hand at the end of February 166,148 tons, as against 171,153 tons at the close of January. Sulphite stocks, particularly unbleached sulphite, were off from 78,289 to 67,885 tons. Sulphate stocks increased from 45,704 to 48,878 tons. Groundwood pulp stocks recorded a gain, from 39,751 to 42,660 tons.

A breakdown of the returns of the reporting mills to the United States Pulp Producers Association for February, 1941, follows:

(In tons of 2,000 pounds, air dry weight)
(February, 1941)

Grades:	% of Ind'y. capacity reporting	Production during Feb.	Used by producing mills	Sales, foreign & domestic	Stocks* on hand end of Feb.	Imports during Feb.
Total, all grades except soda	87%	612,998	484,667	133,522	166,148	68,708
Total sulphite	98%	198,219	109,155	99,566	67,885	45,327
Bleached	100%	119,760	63,939	59,785	43,500	28,227
Unbleached	95%	78,459	45,216	39,783	24,585	17,100
Total sulphate	96%	306,320	275,527	27,619	48,878	13,659
Bleached	100%	48,555	42,630	7,047	4,831	5,658
Unbleached	95%	257,765	232,897	20,572	44,047	8,001
Groundwood	59%	95,326	88,402	3,963	42,660	9,400
Damaged, off-quality & miscellaneous	75%	12,933	11,583	2,372	6,525	322

*Total, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp).

Import data from United States Bureau of Foreign and Domestic Commerce. Other data as reported monthly to the United States Pulp Producers Association.

American Paper Mills Step Up Output to 90%

From Our Own Correspondent

MONTREAL.—Production in the American paper industry moved above 90% in the week ended March 8, as orders continued to run ahead of output. Since the final week of January new orders have been increasing and the backlog has been expanding.

In the week of March 8, rate of production of the paper industry, according to American Paper and Pulp Association's index of paper mill activity, was 90.1% against 88.9% in the previous week and 83.4% in the week ended March 9, 1940.

In the paperboard industry production was equal to 80% of capacity in the week of March 8, against 82% of the preceding week.

Canada Main Source U. S. Pulp Purchases

From Our Own Correspondent

MONTREAL.—Canada continues to be the main import source of pulp for the United States. During January the U. S. imported 72,513 tons of all grades of pulp, valued at $4,315,515, according to the U. S. Department of Commerce. Of this, Canada supplied 66,603 tons worth $3,950,850; Finland, 5,910 tons, valued at $364,652. A small quantity of pulp came from Sweden. It was valued at only $13.

In comparison with December, the January pulp trade showed a moderate recession. The declines were principally in bleached and unbleached sulphite pulp grades. Increases were shown for unbleached sulphate, bleached sulphate and groundwood pulps.

Pulp & Paper Help Boost Rail Traffic

From Our Own Correspondent

MONTREAL. — Canada's pulp wood and pulp and paper industries accounted for 20% of the increase in cars of revenue freight loaded on Canadian railways for the current year to March 29. Up to that date the railways had loaded 374,094 cars, a net increase of 60,049 over the like period of the previous year. Loadings of pulp wood and pulp and paper showed an increase of 12,014 cars during this period.

Abitibi January Net Up 6.52%

Net earnings of Abitibi Power & Paper Co. for January of this year were $476,993, a gain of 6.52% on the same month a year ago but down about $70,000 from December. The January earnings include $156,046 received as premium on United States exchange and are before depreciation of $148,750 and bond interest, including interest on overdue interest of $291,613.

The company produced 26,141 tons of newsprint in January, slightly above the figure for the 1940 month. February shipments are estimated at 28,400 tons.

Shipments of bleached sulphite pulp January this year totalled 5,454 tons, approximately the same as in the same month a year ago. Indications are that February shipments totalled about 6,400 tons.

U. S. Pulp Mills Buy N. B. Pulpwood

From Our Own Correspondent

MONTREAL. — Northern New England pulp mills, chiefly those located in Maine, have been buying heavily in the New Brunswick pulpwood market, according to Pulp and Paper Magazine of Canada. Purchases have been made largely in the counties of Charlotte, York, Carlton, Victoria and Madawaska.

The wood is being supplied to the St. Croix Paper Co. at Woodlands; the Eastern Manufacturing Co. at Lincoln and Brewer; Brown Corp. at Gardiner; Pejepscot Paper Co. at Brunswick; S. D. Warren Co. at Westbrook; Great Northern Paper Co. at Millinocket; Oxford Paper Co. at Rumford; and Seaboard Paper Co. at Bucksport.

Maritime Lumber Trade Expects Active Season

From Our Own Correspondent

MONTREAL.—Indications point to a very active spring in the Maritime lumber industry, according to a report issued by the Maritime Lumber Bureau. Contracts already awarded in 1941 for all types of construction show contemplated work is more than double that in the 1940 winter months.

There are rumors, the Bureau says, of which no official confirmation is as yet available, that considerable military and air force building is to be done in the Maritimes, with a large percentage of the work handled under contract.

U. S. Paperboard Output Higher in January

From Our Own Correspondent

MONTREAL. — Production of paperboard in the United States in January totalled 437,509 tons, equivalent to 75.7% of rated capacity. In Jan., 1940, production amounted to 430,895 tons, equal to 72.1% of rated capacity of mills reporting. In December production was 407,629 tons

Rolland Paper Co. Issues More Shares

From Our Own Correspondent

MONTREAL.—Rolland Paper Co. has issued a voting trust certificate representing five shares, making the total number of voting trust shares now issued in outstanding 34,930.

Auto Sales Lag Is Narrowed

Slack in 1941 Buying Is Picked Up During February

While continuing to lag behind last year, motor vehicle sales in Canada have picked up some of the slack shown at the start of 1941.

Volume of buying of all types of new auto units in February was 6.5% under the same month in 1940, a slightly narrower decline than the drop of nearly 9% in January. Retail value in February was up about 3%.

Truck Sales Jump

The recession is entirely due to passenger car sales, the number of which fell 14% in the first two months of the year. Purchases of trucks and buses, which are not affected by the restrictive taxes and import limits applying to passenger autos, jumped about 20% in February on top of a 12% gain in January. Retail value of truck-bus sales rose 22% in February, was up 17% for the first two months.

Buying of all types of vehicles in January and February totalled 17,196 units, a drop of 7.6%, but the retail value of $21.3 millions was up 2%.

In Eastern Canada

In eastern Canada, February sales of principal makes of passenger cars picked up most of the slack of the first month of the year. The February total still trailed behind the same month last year, but by a much narrower margin than in January.

The number of new passenger car registrations in central Canada and the Maritimes, as reported by Canadian Automotive Trade, fell below Feb., 1940, by less than 3%. The comparable decline in January of this year was nearly 22%. Registrations for makes with most sales activity follow:

New Passenger Car Registrations In Eastern Canada*
12 Leading Makes for the Month

	February 1941	February 1940	Year to date 1941	Year to date 1940
Ford	914	725	1,591	1,431
Chevrolet	881	927	1,671	1,785
Dodge	824	1,004	1,425	1,888
Plymouth	711	827	1,209	1,398
Pontiac	415	354	755	666
Mercury	284	197	516	384
McL.-Buick	249	264	425	512
Chrysler	223	242	388	463
Oldsmobile	217	204	403	384
DeSoto	89	152	134	266
Hudson	67	155	119	263
Nash	60	26	117	45
	4,934	5,077	8,753	9,685

*P. E. I. not reported.

Agricultural Loans Form Large Group

Show Moderate Increase Over 1940 — Financial Loans Come Second

According to the annual statement of the Department of Finance, Ottawa, on loans of the chartered banks as at Oct. 31 last, loans to farmers, grain dealers and seed merchants, all classified as agricultural loans, form the biggest single group. At Oct. 31 the banks had $289.1 millions outstanding on loans of these kinds. This was $21 millions above last year.

The financial group came next with loans to brokers and dealers and call loans to individuals on securities amounting to $207.3 millions. Loans to the mining industry took only $5.7 millions.

Comparative figures for the last two years follow:

	Oct. 31 1940	Oct. 31 1939
	Millions of $	
Provincial govts.	14.6	18.5
Munic. & school dist.	99.6	112.2
Agriculture	289.1	268.4
Farmers	53.2	57.0
Grain dealers, etc.	235.9	211.4
Financial	207.3	220.0
Call loans, brokers, etc.	39.9	51.7
Loans to inst'ns.	65.3	58.8
Individ's. on securs.	102.2	109.4
Merchandising	139.1	134.0
Manufacturers, wood	45.7	56.9
Other manufacturing	198.0	135.7
Mining	5.7	6.4
Fishing inc., packing	7.3	7.0
Public utilities	22.5	36.3
Construction	52.1	45.8
Churches, hospitals, etc.	17.5	19.0
Other loans	86.3	83.3
Total	1,184.8	1,143.5

European Newsprint Sales in U. S. Dwindle

From Our Own Correspondent

MONTREAL. — U. S. imports of European newsprint in February totalled only 16 tons. This is the second lowest monthly figure reported in the past two decades.

For the first two months of 1941 the U. S. imported 1,164 tons of European newsprint, as against 17,835 tons in the like period of 1940.

Great Northern Paper Profits Up in 1940

From Our Own Correspondent

MONTREAL. — Great Northern Paper Co., one of the principal newsprint producers in United States, had a net profit of $2,865,667 in 1940, equal to $2.87 a share on the capital stock. This contrasts with a profit of $2,727,442 or $2.73 a share, the year before.

Public Utility Earnings

Southern Canada Power

February:	1941 $	1940 $
Gross earnings	236,699	222,096
Less: Oper. exps.	62,443	80,381
Taxes	57,799	39,378
Net earnings	116,457	102,337
Less: Int., deprec. and divds.	111,834	111,798
Surplus	4,623	*9,461
Five Months Ended Feb. 28:		
Gross earnings	1,220,068	1,104,785
Less: Oper. exps.	345,783	352,352
Taxes	292,392	167,823
Net earnings	581,893	584,610
Less: Int., deprec. and divds.	562,728	558,340
Surplus	19,165	26,270

*Deficit.

National Light & Power
Month of January

	1941 $	1940 $	Incr. %
Oper. earns.	61,590	58,542	5.2
Misc. earns.	911	628	47.0
Less: Oper. exps.	24,082	23,099	4.3
Depreciation	7,902	7,675	3.0
Avail. for int.	30,517	28,394	7.5
Bond interest	11,575	11,755	†1.5
Net earnings*	18,942	16,639	13.3
Times Bond Int. Earned:			
Before deprec.	3.32	3.07	
After deprec.	2.64	2.42	
Output, kw. hrs.	3,203,974	3,035,853	5.5

*Before income taxes, amortization, other interest, etc. †Decrease.

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National Parks Bid For War Travel

Curb on Trips Outside Canada Spotlights Nation's Own Assets

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Swinging the spring-Easter travel movement to its peak, this weekend marks the traditional switching point between two important seasonal trends of tourist and holiday travel.

The spring carryover of leisure tripping for climate and relaxation, capped by the tremendous volume of Easter vacation and weekend traffic, will rapidly diminish from now on. With momentum gaining full headway around the May 24 weekend, the travel plans and journeys of Canadians will turn increasingly to the pleasures of summer weather and holiday regions. And the wisest travellers, it may be noted, know it is never too early to plan ahead to get the most enjoyment out of a vacation.

Kept at Home

This Easter, Canadians are barred by wartime exchange controls from trips to New York, Atlantic City and other mild-weather U.S. centres, which a year ago were still the customary Mecca for thousands of Canadians. Over the current week end, the annual springtime exodus of Canadians to U.S. points is by force of circumstances — and foreign exchange regulations—being channelled within Canada.

The main travel flows are to the mild climate centres on the B.C. coast and for week-end trippers in the East, to the big sightseeing, shopping and recreation centres such as Montreal, Quebec, Ottawa, Toronto and Niagara Falls. Enhancing the lure of balmy spring weather and scenery of the west coast, a particular drawing card for many travellers will be the spring garden festival at Victoria, April 30 to May 3 inclusive. This is held under auspices of the Victoria Horticultural Society.

Learn About Canada

The summer vacation plans of the great majority of Canadians will perforce also be focused on tours and resort areas within Canada. And while many may be restive at having no choice in the matter, they will have their eyes opened to the splendid sweep and variety of Canada's own holiday resources. They will discover that in almost every type of country and vacation features, Canada can rival the outside regions to which they hied themselves so eagerly in past years.

Notable among Canada's distinctively fine attractions for tourists and holiday makers—and ignored or unappreciated by far too many Canadians in the past—are the Dominion national parks. In the past two or three years, important extensions and improvements have been made in the parks system. It now embraces more than a score of park units with a total area of close to 30,000 square miles.

Partly as a result of the border attractions of the parks, partly as a result of war factors, it is expected this year will see a record number of visitors to Canada's magnificent public reservations. In addition to scenic grandeur and other delights for the tourist there are included in the system big game sanctuaries; reserves for buffaloes, and other wild animals saved from extinction; havens for picnickers and campers; and restorations of places and buildings that played a major part in Canada's history.

Parks Visitors Increase

Despite a falling off in U.S. tourists in the early part of the year, the national parks last year achieved their greatest summer tourist season. In the seven-month season from April through October, a total of 1,041,360 visitors was recorded. This gave a clear margin over the previous peak of 1,008,690 and showed a gain of 165,586 over the 1939 figure of 875,774.

The Banff and Jasper national parks, with their big resort hotels, centred in nearly 7,000 square miles of the splendor of the Rockies, continued to hold leading rank in the roster. They recorded an increase of 120,000 visitors over 1939. A total of 224,807 maintained Banff's top rank in popularity among the national parks.

New Scenic Road

The big upswing in visitors to these two parks, especially to Jasper, resulted largely from opening last year of the Banff-Jasper Highway which connects the parks through one of the finest scenic regions of the Rockies. This 186-mile road, along with the new Big Bend highway in B.C., opens up to Canadian and U.S. motor tourists large areas hitherto inaccessible by car. It also cuts in half the trip between Banff and Jasper, which previously meant a roundabout journey through Edmonton.

Located in every province but Quebec, the national parks fall into four or five distinctly different types. There are the seven big mountain parks in the Rockies of B.C. and Alberta; the three Alberta sanctuaries for buffalo, antelope, elk and other wild animals; the seven summer resort, camping and recreational parks in Saskatchewan, Manitoba, Ontario, Nova Scotia and P.E.I.; and the national historic parks in the Maritimes and elsewhere.

Historic Parks

The national historic parks have been increased in number and importance by Government action, which restored additional historic areas and made them new units in the national parks system. Up to last year, the only national historic parks—as distinct from the national historic sites consisting usually of marking cairns or single buildings—were at Fort Anne, N.S., and Fort Beausejour, N.B.

Notable among the new historic parks are the developments of Port Royal Habitation at Lower Granville, N.S., and the Louisbourg Fortress on Cape Breton.

The area set aside at Port Royal Habitation preserves the site of the first community of permanent European settlers in Canada. It was also the first European trading settlement in North America north of the Spanish outposts on the Gulf of Mexico. At Port Royal Canada's first garden was grown, first water power mill erected, the first road constructed.

Order of Good Time

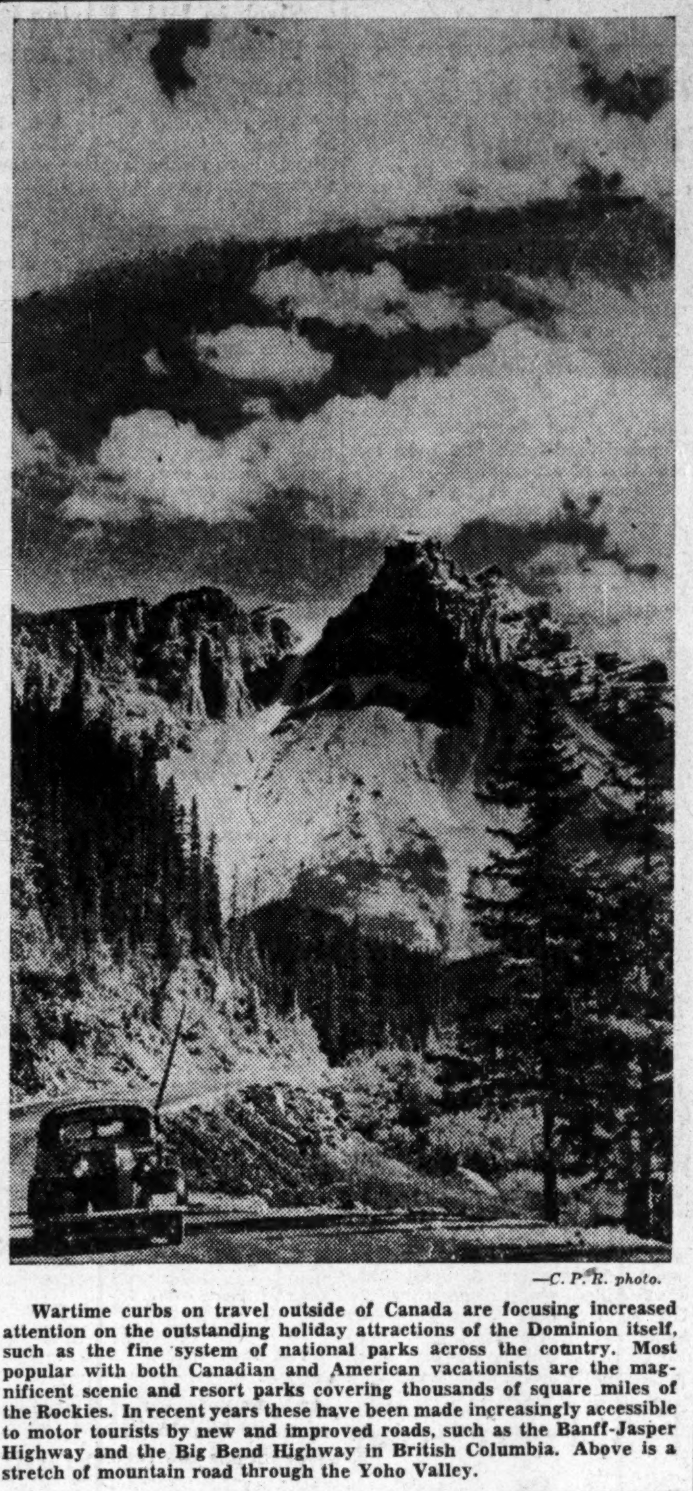
To foster good fellowship and cheer among the settlers, Port Royal founded America's first social club in the "Order of the Good Time." An active modern organization perpetuates this body, and boasts members from many parts of Canada and the United States.

Replicas of the group of buildings which stood at Port Royal almost 350 years ago have been erected in the national park. Restoration work has also been carried out and a museum built at the Louisbourg Fortress Park, where massive ramparts once held the key to French power in America. Its capture by the British in 1758, followed by the fall of Quebec the next year, brought the end of French rule in Canada.

One of the newer national parks that is attracting much interest is the Prince Edward Island park, a summer resort, recreational and scenic area extending 25 miles along the north shore of "the Garden of the Gulf." The latest addition to the playground units of the parks system, it was established in 1937 but not developed or officially opened until 1939, at the time of the King's visit. More than 35,000 visitors went to the park last season.

Attractions and facilities of the park include its magnificent surf beaches, modern bath houses and life guard service, camping and picnic grounds, five hotels, a bungalow camp, and a number of summer cottages.

Within the park is Green Gables, the farmhouse and locale made famous by the novel, "Anne of Green Gables." Recreation resources developed at this and other points of interest in the park include tennis courts, golf courses, boats for rental, and accommodation for fishermen. The well developed road system of P.E.I. penetrates the principal sections of the park.



—C. P. R. photo.

Wartime curbs on travel outside of Canada are focusing increased attention on the outstanding holiday attractions of the Dominion itself, such as the fine system of national parks across the country. Most popular with both Canadian and American vacationists are the magnificent scenic and resort parks covering thousands of square miles of the Rockies. In recent years these have been made increasingly accessible to motor tourists by new and improved roads, such as the Banff-Jasper Highway and the Big Bend Highway in British Columbia. Above is a stretch of mountain road through the Yoho Valley.

Motor Tour Around Gaspe Draws Many to Quebec

The spectacular motor tour around the Gaspé Peninsula in Quebec has become one of the chief tourist attractions of that province in the past few years, and has done much to intensify the longstanding appeal of the peninsula for summer vacationists and motor trippers.

Into the charm of Gaspé are fused the peninsula's splendid seascapes and rocky coast scenery, the combination of wild rugged regions with placid pastoral country, fine sea beaches, and excellent tourist facilities that in recent years have been much extended and improved. Since completion of the 550-mile highway around the coast of Gaspé which lies between the St. Lawrence River and the Baie des Chaleur, the region has been "discovered" by thousands of holidayers who rate it one of North America's best touring areas.

An intriguing experience that appeals to many tourists through Gaspé is to get one of the hardy Gaspé fishermen to take you to the fishing grounds for cod. For fresh water anglers, Gaspé has some of the finest salmon streams and pools in Canada, and trout abound in many sections. Scenic highlights of the tour are picturesque Gaspé village, site of the discovery of Canada by Jacques Cartier; the nearby sailing ships and salmon hatcheries; Perce and its famous cleft Rock; Bonaventure Island, the famous sea bird sanctuary; the exceptional sand beaches of the Baie des Chaleur; and the beautiful Matapedia valley.

Gaspé may also be reached by bus over the highway, partly by rail, and by steamship from Montreal.

Impact of Wheat Plan Now Felt Nationally

From Our Own Correspondent

OTTAWA.—The farm crisis is casting its shadow over Parliament and the first serious rift in the Government caucus has become visible, as Ontario members followed each other in rising to speak against the 1941 wheat policy.

No one in Ottawa believes the policy is the last word and Hon. J. G. Gardiner left the door wide open for revisions. Parliamentary debate centred around two aspects:

1. National aid to western farmers has now reached a level of between $400 and $500 per farmer.
2. Switch of western agriculture to mixed farming, in competition with eastern farmers.

Basic Change

The bonus plan of the new wheat policy which aims at diverting one third of the 1940 wheat acreage to summerfallow, coarse grains and grass has served to throw into a sharp relief a major change in the Canadian agricultural picture. At one time the West was almost 90% wheat, now it is not. Given a setback by the great drought cycle of 1933-38 mixed farming — which means dairy cattle and hogs — is again gaining momentum.

Eastern farmers fear this diversion, with its increasing competition for themselves, will be artificially stimulated by the bonus paid to farmers planting former land to livestock feed grains and grass. This explains the opposition of eastern rural members at Ottawa, the move of the Hepburn Government to bonus hogs a dollar a head and cheese two cents a pound. These two schemes are expected to cost the Ontario taxpayer a total of $3.4 millions this year.

In hogs, the three prairie provinces, with Alberta in the lead, furnished a substantial portion of the increased marketings required to meet the British bacon agreement. Figures for the last two years for the main hog-producing provinces are:

	1939	1940
Ontario	1,666,991	2,191,456
Quebec	336,525	524,498
Manitoba	327,212	510,789
Saskatchewan	312,188	648,938
Alberta	979,898	1,485,382

The cost of federal assistance to western agriculture in 1941 may reach a maximum of $115 millions, including $57 millions to finance storage of the wheat surplus, $36 millions for the bonus to summerfallow or coarse grain production in lieu of wheat, and $22 millions under the twin acts of prairie farm rehabilitation and prairie farm assistance.

Spent $100 Millions

A table placed on Hansard by Hon. R. B. Hanson estimated nearly $100 millions spent in the last 10 years to cover deficits incurred in wheat policies from time to time.

1930 crop equalization	$ 6,521,175
1931-32 5-cent bonus ..	12,719,900
Administration of 5-cent bonus	186,509
1935 crop loss	11,858,104
1936 crop loss	49,574
1938 crop loss	61,282,329
1939 crop loss (as at July 31, 1940)	6,119,656
	98,737,251

Against this record of deficits, the single item of profit obtained was $8,953,343—net profit on wheat taken over in 1935 by the Wheat Board from the Canadian wheat pols.

But the fact that overshadowed parliamentary discussion was that the Wheat Board will still be carrying 575 million bushels of wheat at the end of the present crop year, July 31, 1941. What profit or loss will be incurred in the final disposal of this amount remains to be seen.

Company Reports

United Service Corp.

Sales of United Service Corp., Halifax, increased by $825,000 in 1940 over the previous year to more than $4 millions. This excludes sales with the corporation and subsidiary companies of $911,200. United Service Corp. is a holding company which controls real estate, bus lines, automobile sales and service organizations, gasoline and oil outlets.

Operating profit totalled $426,614, compared with $322,313, while net profit increased to $147,269 from $113,012 in 1939.

Net working capital amounted to $427,494 at the end of the year, an increase of $59,905 over the preceding year. Bonds with a par value of $16,000 were retired by the corporation during the year, and Super-Service Stations Ltd. bonds of $10,500 par value were redeemed and cancelled. A mortgage of $10,000 was paid off during the year.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	426,614	322,313
Add: Divds. rec.	13,626	7,726
Total income	440,240	330,039
Less: Bad debt prov. .	44,961	23,906
Subsid. int.	36,148	32,785
Bond interest	23,801	24,173
Depreciation	125,300	113,615
Insur. prems.	2,131	1,072
Non-oper. chgs.	2,336	437
Inc. & profits tax ..	58,294	21,039
Net profit	147,269	113,012
Less: Pref. divds.	40,704	40,704
Super.-Serv. divds. ..	16,500	16,500
Surplus for year	90,065	55,808
Add: Prev. surplus ...	356,888	301,080
Surplus forward	446,853	356,888

Working Capital

	1940	1939
Current assets	1,039,446	864,557
Current liabilities	611,952	496,968
Working capital	427,494	367,589

Collingwood Terminals

Larger demand for storage space and larger transfer business in 1940 gave Collingwood Terminals Ltd. highest net profit in its history, according to Leslie H. Boyd, president. Prospects for 1941 are said to be very favorable.

Negotiations between the company, the county of Simcoe, the town of Collingwood and the Department of Municipal Affairs for Ontario were concluded last year, and the company now expects to be able to take care of current liabilities to the town and have a favorable balance for shareholders provided volume of grain handled is equal to or better than 1940. During the past year the company paid the town $65,000, taking care of interest arrears and current interest, and reduced principal of the debt by $14,000. A balance of $616,954 was owing to the town at the end of 1940.

Auditors state that provision for income and excess profits taxes has been made at the minimum rates pending establishment by the Board of Referees of a figure for "standard profits."

Income and Deficit Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenues	144,533	95,704
Less: Expenses	54,414	31,387
Net oper. profit	90,119	64,317
Less: Depreciation ..	33,306	31,853
Interest	31,449	32,136
Inc. & E. P. taxes ..	8,777	69
Add: U. S. funds prem.	......	17
Net profit	16,587	276
Less: Prev. deficit ...	154,831	153,465
Deb. exp. amort. ...	1,642	1,642
Income tax adjust. .	727	......
Add: Rebate of taxes .	3,545	......
Deprec. res. adjust. .	30,526	......
Profit on invest. ...	14	......
Deficit forward	106,630	154,831

Working Capital

	1940	1939
	$	$
Current assets	48,763	22,851
Current liabilities	12,054	1,275
Working capital	36,709	21,576

International Utilities

International Utilities Corp. reports consolidated net profits for 1940 equivalent to $2.88 a share on class A shares compared with $1.88 a share for 1939. If undistributed income of California Water Service Co., a non-consolidated subsidiary, is included, net profit for 1940 is equivalent to $3.22 a share on the class A compared with $2.39 a share for 1939.

The company's largest investment is in Canada through Dominion Gas & Electric Co. which it controls.

Balance sheet shows funded debt of subsidiaries reduced to $18.1 millions from $20.1 millions a year ago. Working capital is up about $1.4 million. Chief change in current assets is a gain in cash from $1.4 million to $2.8 millions. Marketable securities included in current assets have a current market value of $1.5 million and book value of approximately the same amount.

On a non-consolidated basis, net corporate income of International Utilities for 1940 amounted to $629,325 compared with $476,436 for 1939. Approximately one third of the 1940 income came from Dominion Gas & Electric and its subsidiaries.

P. M. Chandler, president, reports that a reorganization plan, which was filed with the Securities & Exchange Commission, Washington, in March, 1940, has still not been finally settled. Mr. Chandler now feels that there should be some substantial modifications of the original plan in the light of subsequent events.

Consol. Income and Surplus Account
Years Ended Dec. 31
(In U. S. dollars)

	1940	1939
Income from:	$	$
Operations	6,702,596	6,412,646
Other sources	599,924	541,504
Subsids. liquidated in 1940	91,116	91,432
Total income	7,393,636	7,045,581
Less: Oper. exps., etc.	3,903,745	3,889,167
Deprec. & amortiz. .	585,394	622,683
Net earnings	2,904,498	2,533,732
Less: Int., amort. chgs., subsid. divs.	1,432,834	1,492,420
U. S. & Can. inc. tax	533,798	279,913
Exchange adjust. ...	116,386	49,928
Minority interest ..	97,464	79,520
Net profit	724,016	631,950
Less dividends:		
$7 prior pref.	......	6,654
$3.50 prior pref.	344,960	344,895
$1.75 pref.	......	87,155
Surplus for year	379,056	193,246
Add: Prev. surplus ..	36,089	*417,768
Profit on secs.	77,948	......
Invest. deprec. res. w/b	728,548	423,504
Misc. credits	453,741	167,966
Less: Misc. debits	418,684	330,859
Earned surplus fwd. .	1,256,698	36,089

*Deficit.

Earned per Share:

$3.50 prior pref.	$7.34	$6.38
Paid	3.50	3.50
$1.75 preferred	5.28	4.27
Paid	*	1.31¼

*$1.81¼ declared in Dec., 1940, to be paid from capital surplus but not yet approved by the S. E. C.

Class A	$2.88	$1.88

No dividends paid.

Shares O/s.:

$3.50 pr. pref., n.p.v.	98,669	98,970
$1.75 pref., n.p.v. ...	71,768	65,653
Class A, n.p.v.	88,126	88,126
Class B, $1 par	1,252,270	1,240,283

Working Capital

	$	$
Current assets	6,003,864	4,245,100
Current liabilities	1,611,609	1,322,805
Working capital	4,392,255	2,922,295

Price Bros. & Co.

Price Bros. & Co. 1940 financial statement shows outstanding improvement both in earning power and balance sheet position. Total revenue of nearly $5.5 millions compares with just over $2.3 millions the year before. After an increase of nearly $500,000 in depreciation, $275,000 in depletion and providing nearly $1 million for taxes, net profits were equal to $2.16 a share on the common. This contrasts with 23 cents a share the year before.

Consolidated balance sheet shows reduction of $500,000 in funded debt, an increase of nearly $2.5 millions in net working capital and elimination of bank loans totalling $2.3 millions. Since compilation of the report, funded debt has been reduced by another $500,000 due to the maturity on March 1, 1941, of this amount of the company's first mortgage serial bonds.

During the past year the company spent $743,920 installing coal burning, steam generating units necessitated by a reduction in available electric steam energy in the Saguenay district.

The report also notes that included in current assets are notes receivable of Hearst Co. amounting to $510,437, on which the auditors comment they are not in a position to express an opinion on the ultimate value of the indebtedness.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenue	5,169,249	2,069,954
Other revenue	325,897	268,812
Gross revenue	5,495,146	2,335,766
Less: Bank interest ..	56,230	95,959
Debt interest	829,972	631,854
Depreciation	1,509,392	1,062,500
Depletion	375,000	100,000
Power Reserve	191,614	......
Tax reserve	1,000,000	58,000
Net profit	1,532,938	387,453
Less: Pfd. divds.	*518,454	†172,818
Surplus	1,014,484	214,635
Previous surplus‡	707,708	499,963
Surplus forward	1,719,192	714,598

*Including arrears. †Half year only.
‡Adjusted.

Working Capital

	$	$
Current assets	15,505,900	14,488,401
Current liabilities	4,275,570	4,743,253
Working capital	11,230,330	9,745,148

Aluminum Power

Aluminum Power Co. reports an operating revenue in 1940 of $1,976,137, as against $1,372,243 the year before. Because of larger bond interest payments and an increase in taxes from $94,300 to $273,273, net profit totalled $425,353 compared with $346,456 the year before.

Balance sheet as at the end of 1940, expressed in Canadian dollars, shows an increase in property account of $219,000 to $35.2 millions. Bonded debt stands at $19 millions as against just over $20 millions a year ago. Net working capital declined during the year from $1.4 millions to $723,302, which is reflected in the reduction in cash from $1.3 millions to $784,172.

Particulars of the profit and loss account follow:

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross revenue	1,976,137	1,372,243
Less: Bond interest ..	760,000	400,000
Depreciation	473,096	471,696
Exch. premium	41,800	7,177
Amort. expense	2,614	2,613
Taxes	273,273	94,300
Bond exchange	......	50,000
Net profit	425,354	346,456
Less: Dividends	300,000	300,000
Retirement plan ...	16,850	......
Surplus	108,504	46,456
Previous surplus	213,765	167,309
Surplus forward	322,269	213,765

Working Capital

	$	$
Current assets	1,124,859	1,583,432
Current liabilities	401,557	165,780
Working capital	723,302	1,417,652

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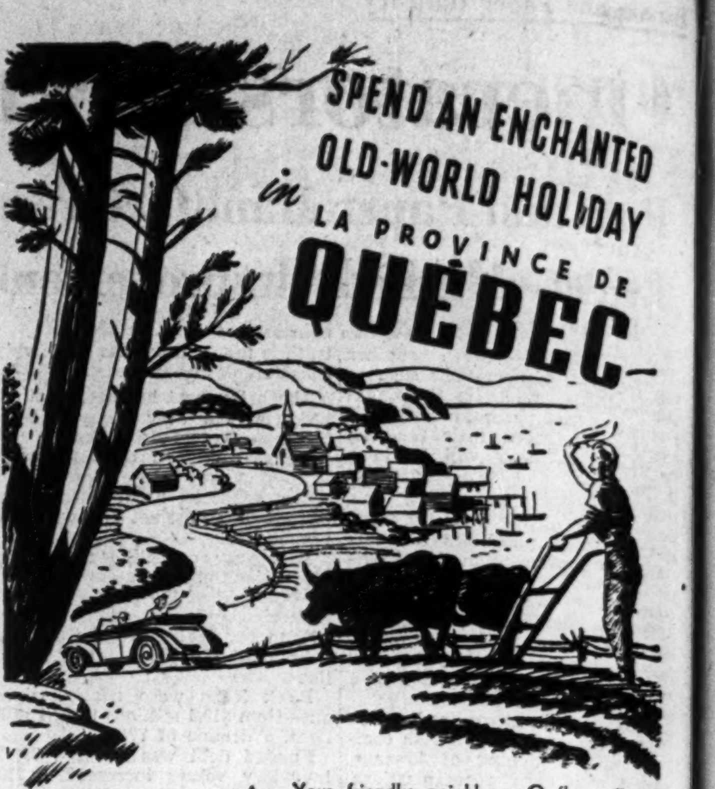

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Banking

Savings Deposits Show Further Expansion

Increase Over Previous Month and Last Year — Demand Deposits Also Rise — Current Loans Are Moderately Higher

For the fourth month in succession, savings deposits of the Canadian people showed an increase in February, according to the monthly return of the chartered banks to the Minister of Finance as at Feb. 28. The expansion is considered directly due to the larger earnings of the people, resulting from the war activity in trade and industry.

A rise of $18.8 millions in February over January brought savings deposits in Canada to almost $1.7 billion, about $28 millions higher than at the end of February, 1940. Savings deposits in February last year were reduced $91 millions by payments of subscribers to the first war loan.

Up $87 Millions Since October

Savings deposits have increased $87 millions since Oct. 31, 1940. At the present rate of increase, Canadian depositors will have a substantial amount of new money available for investment when the third war loan is offered.

Demand deposits also were higher reflecting the more rapid pace of business. The increase for the month was $42 millons and for the year $285.8 millions.

Deposits of the Dominion Government were higher than at Jan. 31, the result of the Government borrowing from the chartered banks on a short-term loan during January. But these deposits were down about $122 millions from a year ago. An increase in investments was mainly due to expansion in holdings of the short-term issues, the result of the Government's financing programme in January.

Current Loans

Current loans were also higher as the result of the greater activity in business entailing a larger use of bank credit. Call loans, however, continued to decline both from the month previous and a year ago, following the shrinkage in speculative activity in the security and commodity markets.

The total increase in loans was less than that in deposits with the result that the The Financial Post Credit Index, which is the ratio of current and call loans in Canada to demand and savings deposits, was lower in comparison with both the previous month and last year.

Note circulation at $82.4 millions was almost $1 million higher than in the previous month, but almost $8 millions lower than in the previous year.

Use of Bank Credit in Canada
(In Millions of Dollars)

	February 1941 $	January 1941 $	Change $	February 1940 $	Change $
Loans	1,137.4	1,128.2	+9.2	1,160.7	—23.3
Investments	1,787.8	1,677.2	+110.6	1,638.0	+149.8
Total	2,925.2	2,805.4	+119.8	2,798.7	+126.5
Deposits	2,738.4	2,677.3	+61.1	2,424.6	+313.8
Credit index*	37.9%	38.6%	—0.7%	42.8%	—4.9%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	February 1941 $	January 1941 $	Change $	February 1940 $	Change $
Immediately Available Liquid Assets					
Canadian coin	7,214,166	7,553,324	—339,158	5,549,459	+1,664,707
Bk. of Can. notes	73,077,482	78,771,417	—5,693,935	57,274,822	+15,802,660
Bk. of Can. depos.	213,074,761	225,551,602	—12,476,841	210,527,442	+2,547,319
Bank's cash	293,366,409	311,876,343	—18,509,934	273,351,723	+20,014,686
Other banks' notes	2,342,064	2,351,069	—9,005	3,993,090	—1,651,026
Gold & sub. coin abd.	3,174,200	3,395,190	—220,990	4,436,892	—1,262,692
Foreign banks	181,374,337	179,281,159	+2,093,178	180,065,716	+1,308,621
Foreign curr.	28,883,184	29,179,535	—296,351	33,645,811	—4,762,627
Gov. sec. short term	771,431,213	706,147,347	+65,283,866	646,599,306	+124,831,907
Do., long term	777,453,890	727,642,860	+49,811,030	699,266,918	+78,186,972
Call loans abroad	38,662,435	38,396,972	+265,463	48,786,397	—10,123,962
	2,096,687,732	1,998,270,475	+98,417,257	1,890,145,853	+206,541,879
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	92,195,426	91,791,818	+403,608	100,831,835	—8,636,409
Public secs.†	49,450,976	53,175,638	—3,724,662	75,855,563	—26,404,587
Other secs.	97,231,399	98,452,967	—1,221,568	115,425,872	—18,194,473
Can. call loans	33,932,073	35,828,880	—1,896,807	56,607,819	—22,675,746
Current loans	1,006,445,346	998,650,175	+7,795,171	981,919,794	+24,525,552
Loans abroad	132,830,274	131,108,031	+1,722,243	145,693,002	—12,862,728
Prov. loans	12,582,217	11,075,436	+1,506,781	14,867,551	—2,285,334
Mun. loans	84,472,919	82,603,240	+1,869,679	107,291,208	—22,818,289
	1,509,140,630	1,502,686,185	+6,454,445	1,598,492,644	—89,352,014
Other Assets					
Non-current loans	5,759,967	5,892,347	—132,380	8,121,391	—2,361,424
Real estate	7,112,199	7,216,907	—104,708	7,692,358	—580,159
Mortgages	3,562,559	3,555,292	+7,267	4,046,999	—484,440
remises	70,763,895	70,716,778	+47,117	72,126,235	—1,362,340
Letters of credit	74,113,832	69,907,357	+4,206,475	60,006,231	+14,107,601
Loans to comp.	10,969,189	11,068,576	—99,387	11,209,776	—240,587
Other assets	2,156,266	2,193,007	—36,741	2,321,069	—164,803
	174,437,907	170,550,264	+3,887,643	165,524,059	+8,913,848
Total	3,780,266,269	3,671,506,924	+108,759,345	3,654,162,556	+126,103,713
Note circ. dep.	4,837,050	4,837,050	....	5,073,232	—236,182
Int. bank bal.	134,186,870	126,051,198	+8,135,672	121,750,089	+12,436,781
Gross	3,919,290,189	3,802,395,172	+116,895,017	3,780,985,877	+138,304,312

LIABILITIES

	February 1941 $	January 1941 $	Change $	February 1940 $	Change $
To the Public					
Circulation	82,439,057	81,456,155	+982,902	90,360,156	—7,921,099
Dom. Govt.	174,902,868	128,429,198	+46,473,670	296,908,856	—122,005,988
Prov. govt.	75,453,803	66,920,339	+8,533,464	50,400,357	+25,053,446
Deposits by Public					
Demand dep.	1,051,429,537	1,009,223,202	+42,206,335	765,571,533	+285,858,004
Savings dep.	1,687,027,047	1,668,130,415	+18,896,632	1,658,990,498	+28,036,549
Total	2,738,456,584	2,677,353,617	+61,102,967	2,424,562,031	+313,894,553
Foreign dep.	410,058,386	409,859,602	+198,784	455,502,677	—45,444,291
Due to Banks Abroad, Etc.					
United Kingdom	22,338,377	26,294,134	—3,955,757	54,125,271	—31,786,894
Foreign	28,220,733	27,740,684	+480,049	35,179,422	—6,958,689
Bills payable	15,079	11,575	+3,504	234,481	—219,401
Letters of credit	74,113,832	69,907,357	+4,206,475	60,006,231	+14,107,601
Other liabs.	6,563,951	6,666,913	—102,962	4,837,570	+1,726,381
Total pub. liabs.	3,612,562,670	3,494,639,574	+117,923,096	3,472,117,052	+140,445,618
Due bet. banks	8,633,572	10,443,455	—1,809,883	10,707,352	—2,073,780
Liability to Shareholders					
Dividends	2,282,334	2,793,352	—511,018	2,228,275	+54,059
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,902,728,576	3,787,126,381	+115,602,195	3,764,302,679	+138,425,897

†Other than Canadian.

Weekly Bank Clearings

	Apr. 3 1941 $	Change Year Ago %	Mar. 27 1941 $
Halifax	3,706,591	+16.5	3,213,590
Saint John	1,886,756	—22.9	2,253,506
Moncton	891,461	+15.3	714,241
Sherbrooke	863,562	+10.2	859,857
Quebec	5,086,955	—3.2	3,984,636
Montreal	116,710,616	+10.3	100,737,721
Ottawa	73,391,708	+161.7	55,241,536
Kingston	650,398	+2.1	582,565
Peterborough	717,522	—7.5	470,037
Toronto	135,927,300	+8.3	107,398,003
Hamilton	7,827,599	+16.2	6,070,557
Kitchener	1,700,133	+28.3	980,386
Brantford	1,145,600	+10.1	852,504
London	2,641,951	—7.8	2,086,624
Chatham	710,464	+3.8	540,992
Windsor	3,048,798	+0.3	3,464,146
Sarnia	438,715	+1.7	405,243
Sudbury	985,081	—2.3	1,150,081
Fort William	1,207,752	+45.1	694,085
Winnipeg	39,909,774	+2.7	32,021,542
Brandon	364,780	+4.6	271,575
Regina	4,154,159	+10.4	3,002,899
Moose Jaw	547,855	+8.9	475,272
Saskatoon	1,473,755	+8.9	1,105,069
Prince Albert	389,755	+25.2	285,605
Edmonton	4,772,625	+2.9	3,912,781
Calgary	6,395,746	+20.9	5,235,181
Lethbridge	557,038	+8.9	424,482
Medicine Hat	265,581	+7.8	271,290
N. W'minster	888,205	+21.2	812,619
Vancouver	21,053,665	+1.9	17,498,719
Victoria	1,956,811	—5.7	1,639,400

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

H. I. LANGILLE to be accountant, Quebec, Que.

H. B. MacKEAN to be manager, Stellarton, N.S.

H. G. DUSTAN to be assistant manager, Saint John, N.B.

* * *

The Canadian Bank of Commerce announces the following staff changes:

B. M. LOVE, manager, Middleton, N.S., to be manager, Amherst, N.S.

S. D. REID, accountant, Fredericton, N.B., to be manager, Middleton, N.S.

W. G. BEDFORD, manager, Amherst, N.S., to be manager, the Securities Department at Montreal.

* * *

The Dominion Bank announces the following staff changes:

C. WAITE to be manager Oshawa, Ont.

E. F. MORRIS, accountant St. Jean Baptiste Market branch, Montreal, to be manager Guy St., Montreal.

R. R. ROGERS, accountant Bloor St. and Dovercourt Road, Toronto, to be manager Dundas St. and Runnymede Road, Toronto.

L. B. BABCOCK, accountant, Orillia, Ont., to be manager Parkdale, Toronto.

T. J. JOHNSTON to be assistant manager, Oshawa, Ont.

H. W. REEVES, Kirkland Lake, to be accountant St. Jean Batiste Market branch, Montreal.

G. T. CORLETT to be accountant Kirkland Lake, Ont.

D. K. KERSLAKE to be accountant Queen and Augusta Sts., Toronto.

W. E. JACKSON to be accountant Bloor St. and Dovercourt Road, Toronto.

E. C. DUKE to be accountant Danforth and Logan Avenues, Toronto.

Exch. Holdings Up $15 Millions

Assets of Bank of Canada Gain $30 Millions

Expansion of $15 millions in holdings of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended April 2, 1941. This is probably due to payments received from the United Kingdom for war supplies and credited to the Dominion Government. Investments were slightly lower but an increase of over $19 millions is shown in miscellaneous assets. This probably includes cheques on other banks not yet cleared.

The net change is an increase of almost $30 millions in total assets.

This increase is offset on the liability side by an increase of $6 millions in notes in circulation, larger deposits by the Dominion Government with the Bank of Canada and miscellaneous liabilities.

	Apr. 2 1941 $	Mar. 26 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	367,083,008	361,172,007
Rest fund	3,722,910	3,722,910
Depos.: Dominion	25,046,316	8,421,048
Bank	219,205,461	218,941,128
Other	5,346,045	5,823,764
Total deposits	249,597,822	233,185,940
All other liabs.	11,542,659	3,969,934
Total liabs.	636,946,399	607,050,791
Assets		
In sterl. & U. S.	82,843,037	67,704,325
Subsid. coin	844,916	848,110
Investments:		
Dom. gov. short	408,546,515	414,041,889
Other Dom. gov.	115,061,725	114,128,467
Total invest.	523,608,240	527,170,356
Premises	1,711,852	1,711,692
All other assets	27,938,354	8,616,308
	636,946,399	607,050,791

Inflation Tricks Sped Revolt

Economic Disruption Of Funny Money Inflamed Unrest

In this, the sixth article in a series on currency inflation, the experience of the American colonies with unregulated expansion of the paper currency is described.

The next article will deal with the inflationary methods used in financing the revolution and the period immediately following.

By DONALD G. MACLEAN
Staff Writer, The Financial Post

In a previous article the system of paper currency based on land as introduced in France by John Law was described.

It has been suggested that Law got some of his ideas from the American colonies where a somewhat similar system had developed due to the lack of a suitable medium of exchange.

The first settlers in the New World were mostly poor and who had little money to bring with them. Indians had their own medium of exchange. Some of the early business of the colony seems to have been done with the Indians' wampum, but most trade was handled largely through barter. This system was awkward, especially as business increased and industry developed. Eventually certain articles produced in the colonies were adopted as standard value. Just as the beaver skin was the standard of value in some parts of Canada in the early days, in the American colonies to the south, tobacco and rice were used. Further north furs, cattle and corn fulfilled the function of a measure of value.

Land Banks

But even this system was too cumbersome and experiments were made with what are now known as land banks. These seem to have been really associations of merchants who deposited mortgages on their own property with the association to which they belonged. In return they took back notes of the association usable as money up to a certain percentage of their mortgages. These notes were not redeemable in specie, but they enabled the members to do business on the credit of their property. As the credit of the members of the association was a matter of local knowledge, their notes appear to have circulated freely within their own particular community. The total circulation of these notes however seems to have been restricted.

Phipps Expedition.

It was in 1690 that the first important issue of paper money took place in the British colonies of North America. Like every other sizeable expansion in the currency, it was caused by war. Great Britain at that time was at war with France, and Massachusetts sent an expedition to capture Port Royal and Quebec.

Financial considerations did not cause the government much worry. The Governor of Massachusetts enlisted sailors and soldiers on the mutual understanding that the members of the expeditionary force would find lots of wealth in the captured French cities from which they would repay themselves. But one detail had been overlooked and that was the possibility of defeat. Unable to conquer their objectives the expedition returned hastily to Boston.

Disappointed in their hopes of loot, they demanded payment for their services from the Governor. When he sought to put them off they threatened mutiny.

Paper Money

Somebody hit on the idea of paying the troops in paper money. The idea caught on and in short order the printing presses of the colony were turned to the manufacture of £7,000. The result was so satisfactory, it was decided to try it again. The second issue was for £40,000. Other colonies followed suit. In 1692 Massachusetts made the notes legal tender for all payments. A bonus of 5% was given when they were paid into the public treasury and they remained at par with coin for some years. At first, efforts were made to provide for redemption of each issue of paper money at a certain maturity date, but as time went on the apparent advantages of keeping the notes in circulation increased. The states became obsessed with the idea of issuing paper money against taxes still to be collected. With the growing laxity in redemption and the increasing volume of paper notes, confidence was rapidly sapped.

When Confidence Weakens

Paper notes, above all kinds of money, depend for their value on public confidence, and when public confidence wanes the buying power of the notes wanes. As the value of the notes fell causing an increase in prices of merchandise, the government speeded up the printing presses which aggravated the rising spiral of depreciating currency and rising prices. The colonies were frequently at war and this accelerated the movement. The rapid changes in prices of commodities and the purchasing power of money, had an unfavorable effect on trade with Britain. Transportation was slow and the British exporter or importer doing business with the colonies never knew just what the value of his transactions would be by the time payment was completed unless the transaction was put through entirely in terms of British money. Likewise the colonial trader might find the calculations on which his deal had been based all wrong.

Issue Restricted

The British Government finally passed legislation restricting the issue of colonial notes for any use except payment of government expenses. These regulations were made stricter in subsequent enactments. This brought severe deflation with resulting hardships and dissatisfaction among the colonists. The usual evils affecting rapid fluctuation in the value of currency were experienced. The fluctuation in the value of the paper money however had other ill effects, notably in making it difficult to tax with any degree of fairness.

Drastic Measures Needed

Such a system of inflation had gone so far that it was impossible to remedy it without the help of Britain or without drastic deflation for which the people were not ready.

Accordingly the colonial governments got around Imperial regulations by printing notes which were not legal tender, but which passed from hand to hand among the people although at steadily depreciating rates.

This was the situation which prevailed when, after the close of the Seven Years War, the colonists were faced with heavy taxation in which they had no voice and the currency in which confidence was lacking. The general confusion in business was an important factor helping to drive them into war with Great Britain.

SECOND INTER-STATE

From Our Own Correspondent

MONTREAL.—Second Inter-State Royalty Corp. reports that as at Dec. 31, 1940, investments in oil royalties had a book value of $212,323. Gross revenue from royalty incomes since acquisition amounted to $49,150 to Nov. 30, 1940, and the reserve for depletion totalled $13,516.

During last November the company had a gross royalty income of $480, while accumulated royalty income for the year 1940 up to the end of November amounted to $6,911.

Let FROST FENCE Guard Your Plant

Here is one watchman that never sleeps, requires not even a minimum wage and will serve you faithfully for many long years. Service like that is worth any first cost—yet Frost prices have not advanced and still offer you the utmost in protection for every dollar of cost.

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343 Dufferin St. Tel. KEnwood 7177

FROST STEEL AND WIRE COMPANY LIMITED
Head Office: HAMILTON
Montreal Winnipeg

FROST CHAIN LINK FENCE

NEW YORK LIFE INSURANCE COMPANY

96th Annual Statement to its Policyholders

THE management of a life insurance company has a primary responsibility to its policyholders to invest the funds of the company and to conduct its affairs so that the company will be able promptly to meet all its contractual obligations to policyholders and beneficiaries when they fall due. The discharge of that responsibility carries with it a great opportunity for service to the public at large.

Because of the complexities of the present economic situation growing out of the critical period through which the world is passing, this service to the public has now become of great importance in the economic and social structure of the country. Your management is acutely aware of its responsibility to its policyholders. So also, it recognizes that much public benefit will necessarily follow from its performance of that responsibility.

Nearly one-half of the people of the United States and Canada own life insurance. From the savings of these people, who live on the farms and in the villages and the cities, come the premium payments which account for most of the income received by life insurance companies. These funds eventually go back from those companies to the policyholders and beneficiaries as payments in accordance with the terms of their policy contracts. Before such payments are due, however, the funds become available for employment in the economic life of the people as a whole in the form of investments or loans. Such investments or loans are useful to those individuals, corporations and governments who need funds to build homes, to carry on business, or to meet budgetary and capital requirements.

The life insurance companies in turn consider the probable income from these investments and loans when they calculate their premiums. Earnings are an important factor in building up the funds out of which future obligations to policyholders and beneficiaries are met. They are also a substantial factor in reducing the total cost of insurance to the policyholder.

Safety is the First Consideration

In making investments or loans it is of paramount importance that the policyholders' interests be protected and that safety be made the first consideration. That has been the policy of this Company since its organization. It will continue to be its policy.

The Public Interest is Served

But the Company is also very conscious of the public service that is rendered through the employment of its funds. In recent years, for various reasons, the individual who has accumulated savings during the course of the year has been more and more hesitant, or has experienced greater and greater difficulty, in making his own private investment of these savings. As a result the public has put larger amounts of savings into such institutions as life insurance companies. But these savings are not stagnant or idle. In large part they are turned back into the blood stream of the national economy through investments and loans which these institutions make in accordance with the laws of the various States.

In the past ten years, the investments and loans of all life insurance companies in the country have grown from approximately $20,000,000,000 to $30,000,000,000. The effect of this upon our national economy is great, for, as the volume of such investments and loans has increased, the public service performed by them has likewise increased. Even a brief examination of the loans and investments of the New York Life Insurance Company will, we believe, demonstrate that it has employed its funds both with a view to safety and in the public interest.

Loans and Investments at Work

Government Bonds.—This Company's investments in bonds aggregate $1,827,000,000. Of this amount, approximately $800,000,000 are United States Government bonds, either direct or fully guaranteed. During the past year the Company increased its holdings in this classification of investment by about $100,000,000. United States Government bonds are generally regarded as the prime investment security of the world. Their safety is beyond question. More than that, the Government at the present time is making huge expenditures in the interests of national defense. From the point of view of the public interest as well as the safety of its policyholders, the Company's policy is to continue, in the present circumstances, to invest in Government securities.

Other Bonds.—The Company's investments in State, county and municipal bonds, which are likewise regarded as prime investments, and which amount to over $250,000,000, also play a great part in our national economy as well as our social advancement. They provide funds to help build schools, bridges and highways as well as other local institutions and improvements. The Company's holdings of railroad bonds aggregate approximately $285,000,000 and help to finance the country's principal transportation system which is so essential to both the business of the country and its defense. Our public utility bonds aggregate over $335,000,000 and, in making these investments, the Company has helped to provide the people with electric, gas, water, communication and other services.

Large and Small Loans.—Most of the corporations whose bonds are owned by the Company are relatively large because so many small borrowers do not or cannot issue bonds which are eligible or practicable as investments for a life insurance company. This Company, however, makes many mortgage loans and policy loans. Most of the policy loans are for small amounts. Mortgage loans are made in both small and large amounts. An examination of the Mortgage Loan Portfolio, which includes loans on business, residential and farm properties, shows that at the end of 1940 the Company had on its books 31,741 first mortgage loans on real estate, which, less reserves, amounted to about $420,000,000. About 87 per cent of these mortgage loans, that is 27,656, were for less than $10,000 each and aggregated over $117,000,000. About 60 per cent of the total number of such loans, that is 18,928, were for less than $5,000 each and aggregated over $60,000,000. About $70,000,000 of the Company's real estate loans were FHA-insured mortgage loans.

Stocks.—The Insurance Law of the State of New York does not permit life insurance companies to invest in common stocks. As a result they cannot legally provide equity or partnership capital, either for big business or for small business. However, they are permitted to invest in preferred and guaranteed stocks which measure up to certain legal requirements. This Company's holdings of such stocks, which provide additional funds for industry, amount to about $90,000,000.

All things considered, it is apparent that the assets of the New York Life Insurance Company are at work not merely to produce a return but also to do their part in advancing both economic and social progress.

Payments to Policyholders and Beneficiaries

During the year 1940, the New York Life Insurance Company paid to policyholders and their beneficiaries a total of $204,394,345. Of this sum $135,015,066 was paid to living policyholders and $69,379,279 to beneficiaries. During the past ten years, the Company's payments to policyholders and beneficiaries have exceeded $2,180,000,000.

New Insurance

New insurance during the year 1940 amounted to $425,970,300. There were 210,896 new policy contracts made during the year and the average size of new policies was $2,020. Although the volume of new business was slightly less than the previous year, nevertheless there was a substantial reduction in the aggregate volume of terminations, particularly lapses and surrenders. On December 31, 1940 the Company had 2,925,775 insurance policies in force for a total of $6,895,182,749, which represented an increase of 53,541 in the number of policies and $64,347,953 in amount as compared with the end of the previous year.

Assets and Liabilities

The total value of all bonds, which were valued in accordance with the law, was substantially below the total market value as of December 31, 1940. The aggregate amount of the Company's real estate mortgage loans was written down by $26,000,000 to the estimated value as of the end of the year. Furthermore, the total real estate owned by the Company was also marked down in 1940 and is carried at the estimated market value. Total admitted assets amount to $2,869,735,265, an increase of $107,456,722 over the previous year.

In the liabilities, by far the largest item, $2,322,671,554, is the Insurance and Annuity Reserve computed by the Superintendent of Insurance of the State of New York. This reserve is the amount which the Company must hold in good assets so that together with future premiums and interest, it may be able to meet future policy obligations as they become due based on assumptions as to future rates of claim, interest and expense. The sum of $38,747,490 is set aside in the liabilities for dividends payable to policyholders in 1941. In addition to a Voluntary Investment Reserve of $50,000,000, the Company had, at the end of the year, a surplus, reserved for general contingencies, amounting to $127,073,603.

* * *

The present high standing of the Company, its conservative financial and actuarial standards, and the character of the organization both in the Home Office and the Field should be a source of great satisfaction to every policyholder.

A more complete report as of December 31, 1940 containing additional statistical and other information of interest about the Company, as well as a list of the bonds and the guaranteed and preferred stocks owned by the Company, will be sent upon request to the New York Life Insurance Company, 51 Madison Avenue, New York, N. Y.

Geo L. Harrison
President

December 31, 1940

ASSETS

Cash on Hand or in Banks	$50,740,231.25
U. S. Government, direct or fully guaranteed Bonds	798,701,310.42
State, County and Municipal Bonds	254,278,035.73
Railroad Bonds	285,382,157.84
Public Utility Bonds	335,809,038.91
Industrial and other Bonds	67,680,280.67
Canadian Bonds	85,754,443.90
Stocks, Preferred and Guaranteed	89,621,300.99
Real Estate	93,753,231.24
Home Office	15,374,500.00
First Mortgages on Real Estate, less reserves	421,904,728.35
Policy Loans	309,207,080.82
Interest Due and Accrued on Bonds, Mortgages and Policy Loans	27,181,644.68
Rents, Due and Accrued	1,752,642.71
Uncollected and Deferred Premiums	32,155,465.50
Other Assets	439,112.66
Total	$2,869,735,205.67

Of the Securities listed in the above statement, Securities valued at $43,652,898.21 are deposited with Government or State authorities as required by law.

LIABILITIES AND SURPLUS FUNDS

Insurance and Annuity Reserve computed by the Superintendent of Insurance of the State of New York	$2,322,671,554.00
For amounts not yet due on Supplementary Contracts	166,767,005.40
For Dividends left with the Company	125,768,411.20
For Dividends payable during 1941	38,747,490.00
For policy benefits in process of settlement	9,096,703.04
For policy benefits incurred but not yet reported	1,875,000.00
For premiums, interest and rents, prepaid	11,360,906.19
Reserve for future expenses on Single Premium policies and Annuities	3,390,000.00
Reserve for fluctuations in foreign currencies*	4,000,000.00
Reserve for miscellaneous Liabilities (including taxes, rentals and salaries)	8,984,531.93
Total Liabilities	$2,692,661,601.76
Voluntary Investment Reserve	50,000,000.00
Surplus, reserved for General Contingencies	127,073,603.91
Total	$2,869,735,205.67

*This reserve is held mainly against the difference between Canadian currency Assets and Liabilities which are carried at par.

The New York Life Insurance Company has always been a mutual company. It started business on April 12, 1845 and is incorporated under the laws of the State of New York.

CANADIAN BUSINESS

Seventy-three years ago, in 1868, the New York Life Insurance Company began doing business in Canada. This was one year after Confederation, and twenty-three years after the Company commenced business in the United States.

In 1940 the Company paid $2,889,048 to living policyholders in Canada and $1,488,905 to the beneficiaries of those who died. Total insurance in force in the Dominion on December 31, 1940, amounted to $130,612,276. Investments in Canada aggregated $101,258,167.35 at the end of 1940.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Stedman Bros.

Will you outline the operations of Stedman Bros. and give some details of its recent earnings?

Stedman Brothers Ltd. carries on wholesale and retail smallwares business through its central warehouse in Toronto and retail stores throughout Canada. As at Dec. 31, 1940, the company operated 66 retail stores, while 150 others were operated under management contract. Merchandise handled is principally of the type ranging in price from 5 cents to $1.

Net earnings from operations for the year ended Dec. 31, 1940, were the highest in the history of the company, amounting to $587,388 as compared with $482,595 for the preceding year. As a result of doubling of provision for income tax, net profits fell to $274,665 as compared with $341,625 for 1939. Earnings per share on the 6%, $50 par value preferred stock amounted to $45.78 in 1940, as compared with dividend requirements of $3 per share. Earnings on the common stock of $2.85 per share were also well above dividend disbursement of $1.20 per share.

The company originated in Brantford, Ont., in 1907, a small jobbing business being carried on in that city. In 1912 the present company was incorporated under Dominion charter. Wholesale operations only were carried on until 1926 when the policy of extending franchises was initiated. Since that period steady growth has taken place from a total of two stores and franchise stores operated to a total of 216 stores at the end of 1940.

Dufferin Paving

Can you give what information is available as to the position of Dufferin Paving 5% debentures?

In June, 1940, the Secretary of State for Canada appointed Price, Waterhouse Co., Toronto, controllers of Dufferin Paving & Crushed Stone and its subsidiaries, following internment of James Franceschini, controlling figure in the firm, on Italy's entry into the war. Normal operations of the companies are being continued and all government and other contracts held by the company are being carried on without interruption and according to schedule. The companies have adequate resources and staff.

Position of the holders of series A, 5% debentures of the company, remains unchanged for the present as a result of the Dominion's action in taking over operation of the company. How long the present position will continue will depend on the final disposition of Mr. Franceschini's case. What will happen at the close of the war can hardly be forecast at this time, but the debentureholders will remain as senior creditors of the enterprise. No figures as to earnings or financial position of the company have been available for a number of years. Current quotations on these debentures are around 54½ to 57½.

Western Canada Flour

Who is the president of Western Canada Flour Mills? How many mills does it operate and what is its capacity? Please outline also its financial position.

President of Western Canada Flour Mills Co. Ltd. is G. R. Cottrelle, Toronto. The company owns flour and cereal mills at Goderich, Ont.; Winnipeg, Man., and Calgary, Alta. These have a total daily capacity of 9,000 barrels of flour and 375 barrels of rolled oats. The company also operates a salt plant at Goderich, Ont. A wholly owned subsidiary operates a feed mill at New Westminster, B.C. The company also operates terminal elevators at its mills and warehouses at principal points in Canada. Through an operating subsidiary, Purity Baking Co., it controls baking plants in most of the large centres in Canada.

In the year ended July 31, 1940, Western Canada Flour Mills reported consolidated net profit of $215,127. These were the best earnings reported by the company since 1930. Its earning power has been limited in recent years with heavy losses reported as recently as 1938. Arrears on its preferred stock amounted to $43.62½ a share at Sept. 1 last. Working capital is restricted, amounting to only $725,162 at the end of last July. A bank loan of $1.7 million was shown. The company has no funded debt, but has a general debenture issue which is held by its bankers as collateral security for advances and guarantees. Early months of the current year failed to make as favorable showing as the corresponding period a year earlier. Uncertainty as to exports appears to be the chief difficulty.

Silverwood Dairies

I have heard that Silverwood Dairies has undertaken certain refunding operations. Can you outline these operations and let me have some details of the company's present position?

Silverwood Dairies Ltd. redeemed all its outstanding 5% bonds on March 25 this year at 103 and accrued interest for the series A and 101 and interest for the series B bonds which are due Jan. 2, 1952. As a part of this refunding operation, $1.5 million of 4½% first mortgage bonds, a portion of which are serials maturing from Jan. 2, 1942 to 1947 inclusive and the balance of $900,000 becomes due on Jan. 2, 1956, have been sold. Last October the company had holders of its 6% debentures approve certain changes which clear the way for payment of dividends on the common shares.

We have not yet received a copy of the annual report of Silverwood Dairies for the year ended March 31, 1941, but net profit for the nine months ended Dec. 31 last was $276,749 compared with $159,873 for the corresponding period of 1939, in each case before income and excess profits taxes. The company's earnings have improved considerably over the past couple of years and it has paid off arrears of dividends on its preferred stock. Its volume of sales has been well maintained. Operations of dairy companies are increasingly subject to control by public authorities, but this apparently has not prevented this company from establishing a reasonable earning power.

Robt. Mitchell Volume Grows

President Warns Business Will Not Be Reflected in Profits

From Our Own Correspondent

MONTREAL. — Volume of business handled by Robt. Mitchell Co. in the first quarter of 1941 showed a further substantial increase, according to a statement made by S. C. Holland, president, at the annual meeting. The cartridge case plant, he said, was already producing finished cases 75% in excess of its rated capacity. Additional equipment was being installed and output would be considerably increased before the end of April. The one millionth case came off the production line on Jan. 17, 1941.

A year ago the company employed 400 workers, now three times that number. When the new unit reaches full production, the total will be increased to at least 1,600 employees.

Production in 1940 represented no less than 1,361,125 man hours of work by wage-earning employees of the company. This was an increase of 860,111 man hours, or 172% over 1939.

In discussing outlook for earnings, Mr. Holland said

"To guard against any illusions that may remain with some shareholders, not with any intention of complaining against the obvious necessity of this emergency, the indicated volume of business in 1941 will greatly exceed that of 1940, but there is no possibility of a corresponding expansion in net profit applicable to the capital stock due to wartime taxations."

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Exchange Premium Tax

I hold some Wright-Hargreaves and Sylvanite shares, the dividends of which were paid in U. S. funds during 1940. Five per cent was deducted at the source and remitted to the Dominion Government. In preparing my income tax return it was my understanding that I should show the gross amount of the dividend as income and deduct from the tax payable the amount deducted at the source. However, a friend of mine has received a letter from the inspector of income tax which says in part:

"The 5% tax withheld on the dividend of Wright-Hargreaves is a tax payable to the receiver-general of Canada and therefore is a deduction from income and not allowance against the tax."

This ruling does not seem to be consistent. Would like your comments.

The 5% tax, deducted at the source from the dividends you received payable in U. S. dollars, is a tax on the exchange premium and not an income tax.

Accordingly the ruling of the inspector of income tax is correct. Suppose you have dividends from these stocks amounting to $30 in Canadian funds. As they are payable in U. S. dollars, the premium would bring the total value in Canadian money up to $33. The exchange tax regulations would require the company officials to deduct 5% of the $33, that is $1.65. Then you would show in your income tax, dividends of $30, plus exchange premium of $3, less exchange tax of $1.65. This would leave your net income from the dividends at $31.35 and that is the amount on which you would pay income tax. The $1.65 is a deduction from income itself not from the income tax.

Allowance By Will

I receive an annual living allowance through the terms of a will. Am I liable for income tax on the amount I receive in this way?

Yes, you are liable for income tax if the amount you receive exceeds the statutory exemptions.

Stocks on Margin

Last year I received dividends from New York stocks which I held on margin. Can I deduct from net income, for income and national defense tax, the interest I had to pay on money borrowed to pay for these stocks. Some of my shares show depreciation in value from a year ago. Is this loss deductible?

You are allowed to deduct from net income the interest you have to pay on stocks held on margin. You are not allowed, however, to deduct depreciation in the value of stocks you hold. The theory is that this is a capital loss and not a matter of income. Conversely, if your stocks increase in value, the increase is regarded as capital appreciation and not as income and you are not taxed on the gain.

Depreciation on Houses

In The Financial Post of April 5 you refer to the depreciation allowed on houses. Is depreciation allowed on a house the owner lives in or only on houses rented to somebody else? Is the rate of depreciation on frame houses 5% or 5½%? You mention the latter figures in the article referred to.

Depreciation is allowed only on houses regarded as an investment and which are rented to other people. The rate of depreciation is 2½% on a reinforced concrete building, 2½% on brick, stone or brick veneer and 5% on frame buildings, not 5½%.

Holt, Renfrew and Co. May Consider Dividends

From Our Own Correspondent

MONTREAL.—Directors of Holt, Renfrew & Co. will consider dividends on preferred stock, on which there is an accumulation of unpaid arrears, according to Senator Lorne C. Webster, president, at the annual meeting.

Business for February and March shows improvement over the like period a year ago, A. J. Walker, vice-president and managing director, said.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

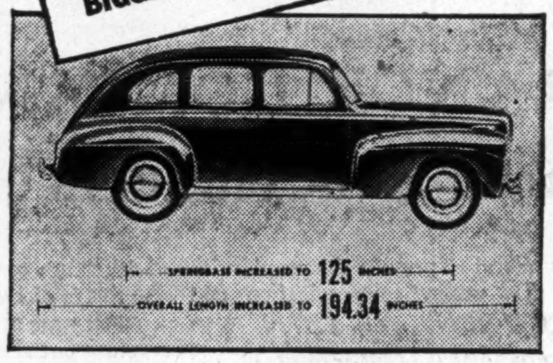
DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

J. P. LANGLEY & CO.
C. P. ROBERTS, F. C. A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

Corrugated Paper Box Pays on Preferred

Corrugated Paper Box Co. has announced that it will pay dividends Nos. 23 and 24 on its preference stock on June 1, 1941, to shareholders of record May 15. This requires disbursement of $3.50 a share. After giving effect to this payment, arrears will be unchanged at $15.75 a share.

BIGGEST FORD EVER BUILT


SPRINGBASE INCREASED TO 125 INCHES
OVERALL LENGTH INCREASED TO 194.34 INCHES

● A new and larger Ford with a completely new and larger body. Wheelbase and springbase have been increased. Body extends over running-boards to give exceptional width.

INCREASED SEAT WIDTH

● Seating width has been increased as much as seven inches. Ample room for three people to sit in comfort, front and rear. More leg-room, head-room. Extra wide doors.

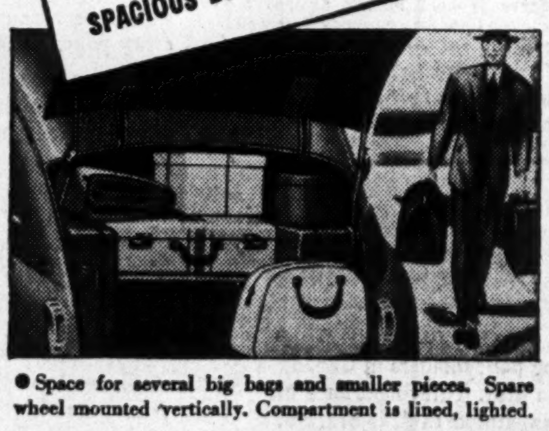
NEW FLASHING BEAUTY

● The new Ford is a great, racy, costly-looking car with larger, more massive body. Brighter, handsomer interior treatment and a new richness in fittings and upholstery.

NEW LARGE WINDOWS

● New windshield is wide and deep. Windows are big, corner posts narrow. Nearly four square feet of glass has been added in Sedans. Smart new instrument panel and steering wheel.

SPACIOUS LUGGAGE COMPARTMENT

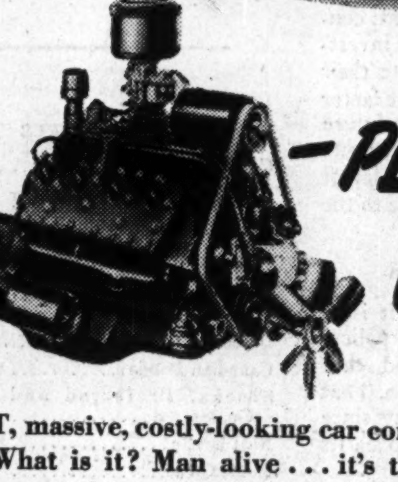


● Space for several big bags and smaller pieces. Spare wheel mounted vertically. Compartment is lined, lighted.

GET THE FACTS AND YOU'LL GET A FORD!

LOOK WHAT FORD OFFERS!

Bigness! Smooth Riding! Economical Operation!



—PLUS THE POWER AND SMOOTHNESS OF AN 8-CYLINDER ENGINE

● A GREAT, massive, costly-looking car comes zooming down the street. What is it? Man alive . . . it's the 1941 Ford! A Ford that's stepped into the big size class, with longer wheelbase and springbase. A Ford with running-boards almost hidden in the new, wide-sweeping body curves. A Ford you'll really be proud to see in your driveway.

Yes sir, this Ford is just as big and beautiful inside as out. Its spacious roominess says, "Welcome folks, all six of you." There's more seat room, leg-room, head-room. Expansive windows front, rear and both sides give improved vision — up to 33%.

Sensational New Riding Comfort

You've never felt the thrill of a ride like this in any low-priced car before. On slow-undulating springs with improved hydraulic shock absorbers, and ride stabilizer, you simply float along.

Greatest Engine in the Low Price Field

You'd expect a powerful engine in a car of such size and beauty. It's a Ford V-8 engine, no less. Eight cylinder smoothness, as in America's highest priced cars. V-type performance as in motors which hold world's records on land, sea and in the air. Gasoline economy that has outstripped all competition in its class, in one official contest after another. Reliability that persuades Ford owners to buy one Ford after another.

So why not see . . . and feel . . . and ride in . . . this big, beautiful car with eight cylinders flashing underfoot. Visit a Ford dealer today. Ford is still the lowest priced car in Canada.

$35 a month with reasonable down payment buys any Ford V-8.

DRIVE A FORD V-8

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

27th Annual Review of Trust and Loan Companies

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Housing Boom in the Making

Cost of Building, Buying or Renting Home Pointed Upward by War Conditions

By W. BRUCE MacKINNON
Staff Writer, The Financial Post

If you own your home, 1940 brought more chances to sell than 1939 and 1941 will probably bring better offers.

If you have been coasting along with an overdue mortgage, don't bank too much on being able to slide through 1941 on credit. You may have been allowed to hold on because the property has not been saleable.

If you have been renting your home or apartment and think of building, better get moving. Rents are going up, National Housing Act appropriations are drying up, may not be replenished, and by the time the year is out, building costs may be prohibitive for all but war contracts.

These conditions do not apply as strongly in some localities as in others. No market is more varied and subject to local conditions than real estate.

Under Rent Control

In a rent-control area, you probably will not face higher rentals for some time yet, although you may have a rude awakening after the war, possibly before.

And if you owe money on mortgage and live in the western provinces, particularly Alberta, you have a better chance of getting along with your old mortgagee than you would have in the East. But it would not be wise to place too much reliance on this. Mortgages played a big part in building up the West and with wartime expansion increasing, provincial legislators may think it expedient to soften their tone toward those who can provide capital.

If you plan to sell property your chances of getting a good price are better if your real estate is in or near a city, better in the East than the West, better in suburbs than in large metropolitan centres, better if it is in the $3,000 to $5,000 bracket than in the higher priced section. The price you get will likely be lower in a rent-control area than in a free area. If you are counting on a war industry or a military camp to boom the price of your holding and are waiting for an acute housing shortage, remember that Wartime Housing Ltd. has been formed to supply such shortages and that such areas are ideal for rent control.

You may get both. Rent control may freeze the value of your property for the duration, and Wartime Housing may leave your district cluttered up with low-cost, rapidly deteriorating houses that may depress local real estate values after the war is over. Note the "may." Wartime Housing was only formed at the end of February and one is not yet justified in making assumptions as to its ultimate effects. But buildings erected to solve temporary problems have a habit of being sufficiently permanent to be a problem for years but not quite permanent enough to be lasting assets.

Figures to support these deductions are difficult to crystallize into a single set of statistics applicable to the Dominion as a whole. Some of the statistics which do apply to all Canada are shown in the accompanying charts.

Construction contracts for 1940 were 85% up from 1939. The gain centred in military construction which rose 90% and in industrial construction which was over five times the 1939 total for a gain of 435%. Residential building was practically unchanged with a gain of three tenths of 1%.

To the end of March, 1941, construction contracts have run more than double those to the end of March, 1940, If the rate of gain holds it will bring 1941 construction above the total for 1929. The figure for contemplated construction is also nearly double that at the end of March, 1940, which would appear to indicate that the gain will hold for a time at least.

House Building Up

More important to private individuals is the fact that residential construction in the three-month period is up 25% over 1940. The month of March. 1941, showed a gain of 30% over a year earlier. Gain in residential building is not startling compared with that in industry but it should be remembered that the National Housing Act is now restricted to homes costing $5,000 and less, hence rules out apartment buildings.

If this upturn can be regarded as a change of trend and the experience in the last war showed that residential building picked up despite a glut of housing at the outbreak, prospective builders will do well to keep an eye cocked on the trend of building costs. In the last war labor costs in the building trade rose 48% by 1919, kept rising to a peak gain of 80.9% in 1920. Lumber rose nearly 170% in price to 1920, paints and glass nearly 220% and miscellaneous building materials over 130%. And percentages don't tell the whole story. When business is active, delays in delivery multiply, add to time losses, material spoilage, etc.

Labor Costs

Labor costs in 1940 do not show much of an advance, only some 3% above 1939. Building materials were only some 13% higher at the beginning of 1941 than they were two years earlier. But at 99 on the Dominion Bureau of Statistics Index they were at the same level at the beginning of 1941 as the average for 1929, although building in 1940 was 40% below the 1929 level.

These figures and a hasty glance at the estimated Government expenditures for the coming two years give an idea of the kind of costs a builder now faces if he postpones construction much longer. Even if costs do not become prohibitive, wartime priorities, which already have interfered with supplies of structural steel, may be extended.

If the figures indicate that it is just about last call for low-cost building, they tell a more pleasant tale for the man who already owns his home. Improved demand for housing is shown by the 25% increase in residential building; by a 10% increase in real property turnover in the City of Toronto; by the rise in sales of property held by municipalities for taxes.

That this rise in demand has its roots in a basic shortage of housing is shown by Toronto figures for 1940. In the latest year, the Toronto Assessment Department had records of some 17,000 extra families living in houses constructed for one family. To satisfy these 17,000 there were only 4,881 vacancies.

Figures like these have been quoted for years, have seldom had much significance beyond sociological discussions because the "homeless" ones lacked purchasing power to make their demand for housing effective. This year Canada's national income is scheduled to rise to $5.9 billions, or $1,300 millions higher than in 1940. Some of those millions are going to find their way to Toronto's 17,000 forgotten families and to their counterparts throughout Canada. If it all happened at once, Toronto would find itself short more than 12,000 homes, or about 8% of the total available housing units in the city.

Actually, the figures for Toronto tend to minimize rather than exaggerate the case since Toronto, in common with other large cities, is tending to depopulate its metropolitan area as city folk move to the suburbs. Vacancies within the city proper of 4,767 family housing units in 1939 rose to 4,881 in 1940.

There is evidence that the supply of real estate for sale is being reduced. In 1940 Toronto sold 109 parcels of tax sale lands and city property against 101 in 1939 and 34 parcels in 1938.

Realty Holdings

More generally a dozen of the more important trust and loan companies showed a reduction of over 10% in the value of "Real Estate held for sale" shown on their 1940 balance sheets. Although figures are not available, several of the larger companies report that in the first quarter of 1941 their real estate inventories are moving at an even better pace. These sales are occurring primarily in urban areas, and experience is best in the industrial sections of the east and in British Columbia. In some cases the sales made in 1941 are said to be on better terms than in 1940 with larger down payments and earlier repayment of the balance called for in the new agreements.

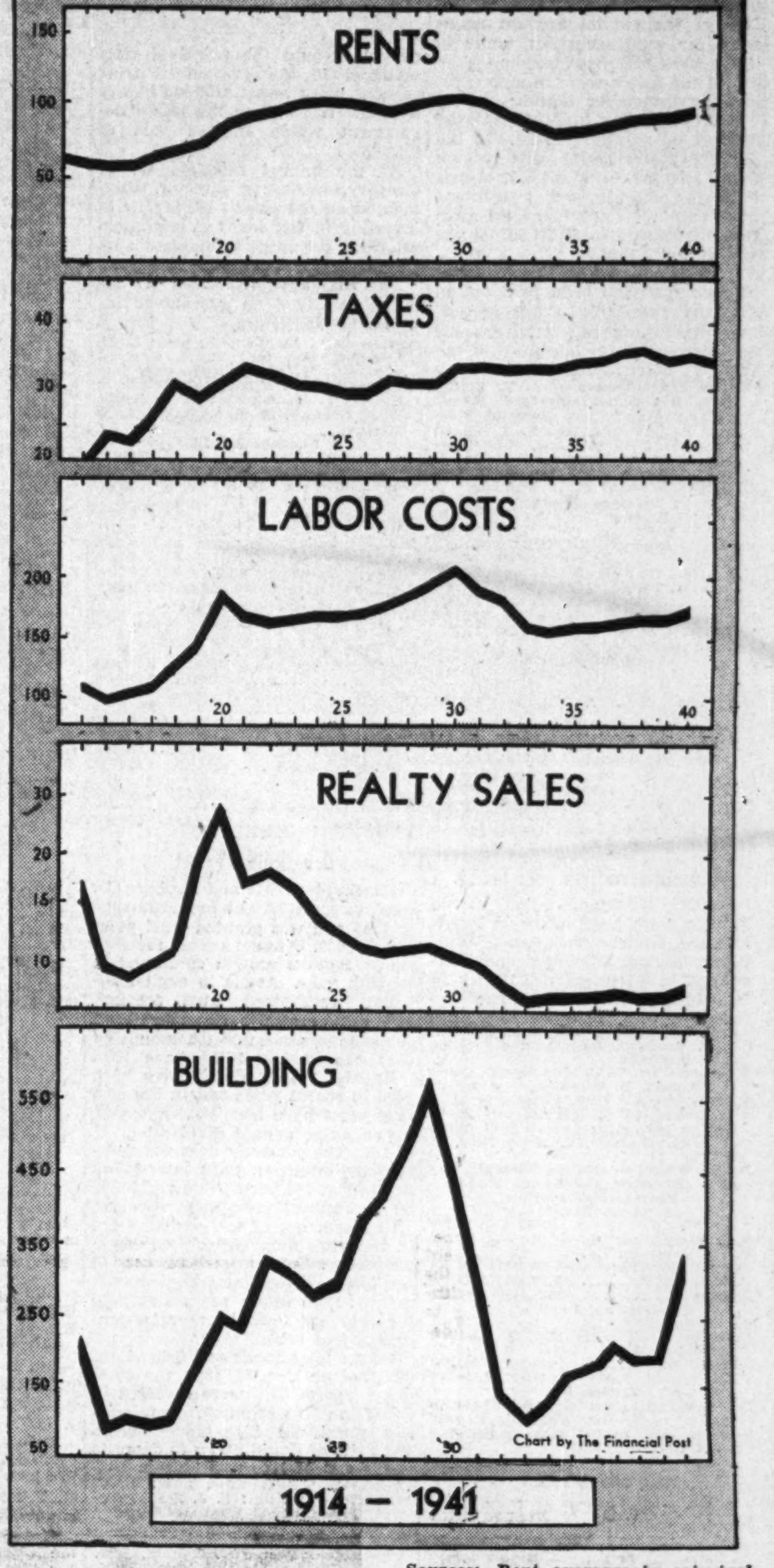
The story told by lower real estate inventories is backed up by record of mortgage payments on principal and interest account. One company in southwestern Ontario reports total payments up 18% from 1939. A British Columbia company comments on the difficulty of finding suitable reinvestment for funds received through advance payments of principal. The same company reports that property is readily saleable, although at not very satisfactory prices.

In apparent contradiction of this trend toward emptying the real estate shelves is the fact that two of the major lending institutions together added some $600,000 to the value of real estate held for sale in 1940. But this did not occur because the real estate could not be sold. Rather it was because with improving markets these companies were able to carry out some deferred housecleaning, taking quit-claim deeds or foreclosing on soured mortgages.

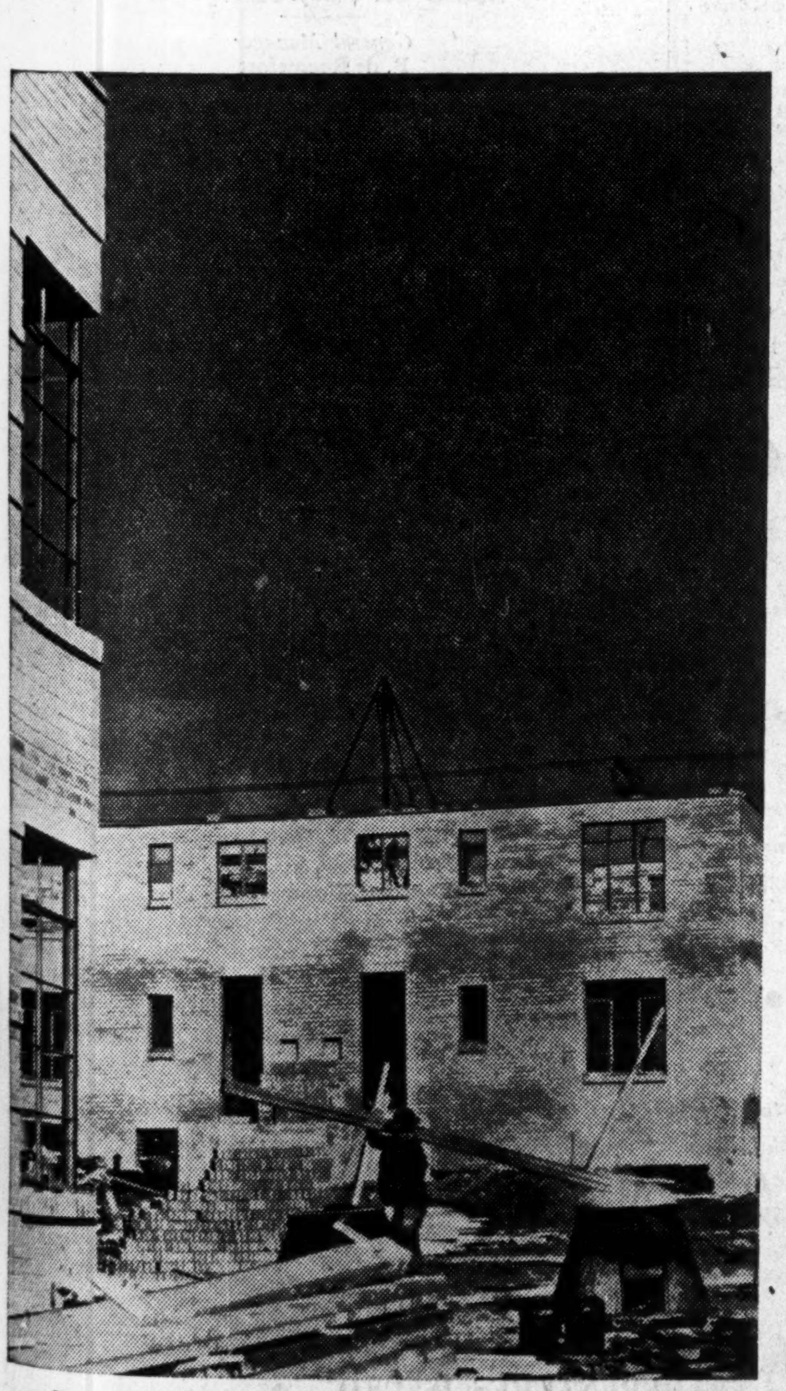
General Picture

The general picture for the first year or two of war appears to be one of increasing Government debt, diminishing private debt. Real estate markets have made progress in clearing up situations that have long held down building activity. Tax collections have improved, lands held for tax sale have been disposed of with the result that municipal taxes have been reduced in major centres, or at least have seldom been increased.

The stage is set for a revival in residential building. The revival may be short-lived, pinched off by rising costs. It may not be as extensive as basic supply-demand conditions would justify. owing to fears of further rent-pegging and the reluctance of capital to expose itself again in areas which imposed, and are continuing to impose, discriminatory legislation against creditors. But whatever its extent or duration the current upturn in part reflects and in part will cause basic changes in the housing field, the second largest single item (food first) in the consumer's budget.



Sources: Rent averages in principal cities, Dominion Bureau of Statistics, 1926 = 100. Toronto tax rates in mills. Labor costs, D. B. S. index of average hourly rates in seven building trades, 1913 = 100. Number of real estate transfers in Toronto. Construction contracts, in millions of dollars, from MacLean Building Reports.



Trend of residential building, motionless in 1940, is up 25% in first quarter of 1941, up 30% in March, as builders attempt to meet demands before rising costs, priorities or the exhaustion of National Housing funds stifle private building. Low-cost units predominate in urban centres and shift to suburbs continues.

Seek New Outlets For Lending

In many respects, companies which lend on mortgages have not shared in the rising activity resulting from war.

True, mortgage repayments have improved. Properties held for sale have been liquidated. Assets behind guaranteed trust accounts are more liquid. And depositors and debenture holders have better security.

But liquidity is bringing problems. Larger proportions of liquid assets are needed to meet substantial and recurring deposit withdrawals to buy war loans and to repatriate British held debentures and certificates. Even without this inducement to keep assets liquid outlets for new investment have not opened up in proportion with the rise in business activity.

Liquidity problems were faced in the last war but for economic rather than political reasons, nor did they carry the same penalties. In 1914 Canada was pretty well overbuilt, rents fell for two years and did not rise, nor was construction stimulated until almost the end of the war.

Housing Shoe Pinches

Today's conflict finds Canada short of housing, likely to feel the pinch more severely as the war effort develops. Housing shortages, ideally, should have been met in advance, before war demands raised building costs and absorbed surplus labor. But residential building in 1940 was scarcely above 1939.

Although 1941 appears likely to be a better building year than 1940, the extent to which this will benefit the lending companies is problematical. Restricted to the better risks, they are unlikely to finance residential building in boom areas likely to wither after the war.

More established centres where war prosperity is unlikely to leave postwar depression, are eyed askance by the lending companies because of rent control. It is true that the majority of the centres subject to rent control are relatively small municipalities where the impact of a war industry or a military camp has brought acute housing shortage. But there are several important exceptions, like Windsor, Vancouver and Ottawa and district, long established centres of population, where the lending institutions would normally find outlet for their conservatively managed funds.

If regions like these are brought under the rent peg, other centres may soon follow. In itself, rent control does not necessarily strangle the movement of funds into mortgages. It is the form that rent control has taken, of fixing rents as of a fixed date that does the damage.

If rents were pegged on the basis of the net return to capital, builder and lender could be sure of operating conditions and would not be restrained by uncertainties. The present method blankets an area without respect to whether rents in the area were high enough to stimulate building. While this blocks the outflow of new funds to finance building, it also tends to freeze values of property in the region affected to the levels of the pegging date. Mortgage companies holding property in the area see their chance of disposing of it satisfactorily disappear. Naturally this does not diminish their caution in respect of other areas where rents are not pegged but where there is no assurance that the peg will not later be applied.

If rent control has brought a new hazard to mortgage lending in the Dominion, some of the old hazards have not been removed.

In western provinces, debt adjustment legislation, some of it applying only to institutional lenders, has continued into 1941. In March of this year Alberta rushed eight new debt bills through the legislature. At its last session the Manitoba Legislature altered the province's debt adjustment legislation to take in loans made on farm lands and chattels used in farming made prior to May 1, 1940. Previously, the act had applied only to loans made prior to Apr. 1, 1931. Wide powers were given to the courts to reduce principal and extend time in connection with farm mortgages and agreements for sale. Saskatchewan has additional debt measures before the legislature at the present time.

The fact that legislation encouraging debtors to dodge their obligations should continue in a year when the national income appears likely to outstrip that for 1929 cannot be disregarded by institutions contemplating further loans. If legislation of this type is brought down in a boom year what is likely to appear in a depression?

Outlets Few, Rates Low

With new outlets restricted largely by legislative uncertainties and with repayments improving, funds of the lending institutions are being placed to a greater extent in government securities. To an extent this is to be expected when collections improve.

But contrary to past experience in the upward phase of a business cycle there has been no rise in the interest rate available on this type of security. In the last war funds received from the redemption of a 7% or 8% mortgage could be re-invested in government securities at 5½% and higher. In the present war funds go out at about 3% and while the cost of supervising the investment is below that of a mortgage, the saving is outweighed by the drop in income.

Carried far enough this tendency could severely damage the earning power of the mortgage institutions. Compensating the loss of income would be the greater security behind liabilities to the public and the improved freedom of action brought by a more liquid, hence more flexible, position. This might be of great value to the mortgage companies after the war.

In the meantime earnings have suffered, especially since wartime problems have been accentuated by wartime taxation. A study of 20 trust companies' earnings statements shows the following composite picture of earnings, taxation and dividends:

Earnings of Trust Companies
Thousands of Dollars

	1940 $	1939 $	Change %
Net earnings	2,357	2,397	—1.67
Income taxes	692	461	+50.1
Net profit	1,665	1,936	—14
Dividends	1,320	1,437	—9.15
Surplus	345	499	—30.9

While the above list is compiled from the statements of trust companies, experience of the mortgage companies is substantially similar. The two classes of companies are both empowered to lend on mortgages and make other investments in accordance with the provisions of the Dominion and provincial trustee acts. Both types of company have the right to borrow from the public in the form of deposit accounts and the sale of debentures or guaranteed investment certificates of varying term.

Inclusion in the list of one of the largest companies which experienced a sharp drop in earnings before taxes obscures the fact that the majority of companies showed improvement in operating earnings. In very few cases were trust or loan companies able to show an improvement after taxes. But dividends continue to be well covered by a margin of 26%, although the margin has been pared from 35% in 1939 and dividends are lower. In 1939 shareholders received over three dollars for every dollar paid to the Government; in 1940 the Government's share was more than half the amount received by shareholders.

The lower amount shown as "surplus" has been disposed of in various ways by the companies. In part it has been used in writing down of assets, increased reserves, employee pension funds and the raising of earned surplus balances. The question of the adequacy of reserves is perhaps less vital to trust and loan companies at the present time than in the case of industrial firms. The tendency toward higher liquidity reduces the proportion of doubtful assets, lowers risk factors.

Withdrawals of deposits to buy war loans and the redemption of sterling debentures have as yet not been so severe as to greatly disturb the companies' operations.

Offering of two war loans in 1940 resulted in withdrawals by depositors which in some cases temporarily reduced deposits of individual companies by as much as 10%. With larger borrowing in prospect for 1941, the companies face heavier withdrawals, need larger liquid resources. Money so withdrawn is not permanently lost to the trust and loan companies. At the end of 1940 a list of 32 major companies accepting deposits or issuing debentures, etc., showed guaranteed liabilities to the public of $237.7 millions. The figure for the same companies a year earlier was $244.5 millions, indicating a decline of only 2.8% in the period.

In addition to domestic withdrawals for war loan and other reasons, the loan companies with sterling debentures outstanding face the problem of repatriation. Ontario loan companies alone repatriated some $2 millions of sterling obligations in 1939, left a balance outstanding of $25 millions at the beginning of 1940. During 1940, from the reports available, this balance was reduced a further 10 to 11% or approximately $2.5 millions. This repatriation is of the most orderly type. At present as British-held debentures mature the loan companies are required to redeem only 25% of the amount in cash which relieves them from the necessity of drastically altering investment portfolios. In addition since the debentures are payable in sterling while the investments which secure them are in Canadian dollars, the companies in this category are reaping a profit through the current discount on sterling.

War Adds Complexity

War has added to the complexity of investment practice. The multiplicity of regulations governing foreign exchange transactions, the constant watch on security dealings to avoid trading with the enemy, have added to the duties of transfer officers and registration departments operated by trust companies. But if these complexities have added to the responsibilities of investment specialists, they have brought problems which private investors find it virtually impossible to solve. Increasingly, testators have been looking to trust companies for the skilled investment management which can seldom be found elsewhere.

Of the 20 trust companies whose earnings have been commented on above, 15 companies showed increases in the dollar value of estates under management. The gain has not been all in large accounts. In the past five years one trust company reports that over 20% of the new accounts in the estates department have been in amounts of less than $10,000; 55% were for amounts of less than $25,000 and only 21% were in amounts of over $75,000.

Another Ontario company reports that the average value of the estates under management is a little over $13,000. Others state that the number of estates under management is increasing, even where the total value is declining, and that the number of cases where the companies are named in wills is on the rise.

Crude figures do not tell the full story of the gain of this branch of trust company business. In some cases testators do not inform the company concerned of its appointment at the time the will is drawn up. Winding up of a large estate can reduce the values under administration, obscure substantial gains in the number of estates.

The growth of estates business appears to be the clearest sailing ahead of the trust companies. Second most certain development is likely to be the increasing liquidity of investments. Although liquidity and its attendant problems may restrict earnings over the war years, the security of trust and loan company obligations is thereby improved, and the companies' ability to take advantage of improved lending conditions will be increased if and when this improvement takes place.

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Canadian Trust Company Review For 1940

Estates Business and General Activity Improve, But Taxes Absorb 1940 Gain

Acadia Trust

Founded 1920 in Truro, N.S., the Acadia Trust Co. has a high rate of earnings on its paid-up capital of $200,000 at Nov. 30, 1940. All but 18% of the capital account assets were in liquid securities, while in the guaranteed trust account only 2% of the assets were in mortgages and the remainder liquid.

Reserves are four times the amount of paid-up capital. In the past 20 years assets have grown from $400,000 to $1,061,885. Assets held for estates and guaranteed trust accounts have increased from $846,985 in 1921 to $6,641,083 at the end of Nov., 1940.

In the past two years two thirds of earnings have been paid out in dividends while in years preceding, the dividend disbursements only accounted for one third of the earnings of capital stock.

Officers and Directors — A. R. Coffin, Truro, chm. of board; Harold F. Bethel, pres. and mgr.; C. E. Stanfield, vice-pres.; P. J. Wilcox, sec.; F. B. Milner, Amherst; J. W. MacLeod, New Glasgow; H. M. Chase, Kentville; Hon. J. Fred Fraser, Halifax; Dr. J. L. McIsaac, Antigonish; F. C. Manning.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit* $	Div. Rate $	Rate Earned per sh. $
1936	800,000	58,026	10	29.01
1937	900,000	60,184	10	30.09
1938	900,000	59,896	10	29.95
1939	1,000,000	59,143	20	29.57
1940	1,000,000	54,359	19	27.18

*After income tax reserve.

Creditors' Position

	1940 $	1939 $
Guaranteed funds	783,580	775,150
Secured by:		
Liquid assets	768,862	760,256
Mortgages & int.	14,718	14,894
Other net assets‡	1,037,870	1,021,512
	1,821,450	1,796,662
Estates, etc.	5,857,503	5,776,228

‡Capital account assets, less tax reserve and accounts payable.

Administration & Trust

Société d'Administration et de Fiducie, with head office in Montreal and branches in Quebec, Winnipeg, Regina, Edmonton and Vancouver, is interested principally in the administration of estates.

Officers — Hon. E. L. Patenaude, pres.; J. T. Leclerc, vice-pres. and man. dir.; J. C. Brosseau, sec.; C. E. Campiche, chief controller.

Directors—Hon. E. L. Patenaude, Count C. d'Anvers, M. Chevalier, Viscount de Roumefort, Sir Thos. Chapais, Hon. L. A. David, L. S. St. Laurent, J. T. Leclerc, Hon. A. Raymond, Paul Amos, J. C. H. Dussault, J. Aime Dery, J. Rolland.

Branch Offices — Quebec, Winnipeg, Regina, Edmonton, Vancouver.

Shareholders' Position
As at Dec. 31

	1940	1939
Rate earned per sh.	9.4%	12.3%
Div. paid per sh.	8%	8%
Net profits	$46,989	$61,745
P. & L. surplus	$118,398	$274,159
Reserves	$227,448	$255,901

Creditors' Position

	$	$
Deposits	376,333	341,900
Secured by:		
Liquid assets	376,333	341,900
Net capital assets*	845,846	1,030,060
Estates, Etc.		
Estate, agencies, etc.	32,568,642	33,440,372

*Capital assets after deducting current liabilities and capital stock subscribed but not called.

Barclays Trust

Barclays Trust Co. of Canada is associated with Barclays Bank. The organization was established by an act of Quebec Legislature. Its principal interest is in the administration of estates, trusts and agencies.

Following are comparative figures for 1940 and 1939:

	1940 $	1939 $
Total assets	23,723,603	22,305,874
Estates, agencies	23,610,902	22,144,926
Loans, cash & advs.	112,701	160,948
Paid-up capital	50,000	50,000
Capital liabilities	112,701	160,948

British Canadian

The business of British Canadian Trust Co. and its subsidiary British Finance Co. Ltd. of Lethbridge, Alta., enjoyed substantial increase in all branches in 1940. The company has never passed a dividend, started business in 1901 and continues to pay at the rate of 5%.

Trust funds for investment or distribution increased approximately 75% during 1940 to a total of $112,389 as compared with $65,889 a year earlier. This improvement was paralleled by a gain of nearly 25% in estates under management.

It does not accept deposits, nor issue debentures or guaranteed certificates.

Officers and Directors—R. R. Davidson, pres.; G. H. Roy, vice-pres.; H. D. Rood, mgr. and sec.; Dr. R. B. C. Thomson, J. S. Kirkham, J. S. Westbrook.

Earnings Record

Year	Paid-up Capital $	Net profit* $	Div. Rate %	Rate† Earned per sh. %
1936	135,454	9,022	5	6.66
1937	135,629	10,577	5	7.80
1938	136,119	11,684	5	8.58
1939	137,049	9,864	5	7.20
1940	137,049	10,409	5	7.60

*After income tax, but before transfers to reserves, write-offs and non-recurring losses.

†Based on paid-up capital at the end of each year.

Creditors' Position

	1940 $	1939 $
Trust funds	112,389	65,889
Secured by:		
Liquid assets	90,184	42,846
Mtges., etc.	22,205	23,043
Other net assets*	199,380	199,160
	311,269	265,049
Estates, etc.	1,254,280	1,058,304

*Capital account assets, less current and deferred liabilities and reserves.

British Mortgage

Growth of the British Mortgage and Trust Corp. of Ontario, Stratford, has been steady since founded 1877. It does not operate branches.

Reports for 1940 show an increase in assets, particularly in liquid assets. Higher earnings were shown for the year, but an increase in income tax from $9,000 to $16,000 caused a drop in the net available for dividends. Total assets and trust funds rose from $8.4 millions at the end of 1939 to $8.7 millions at the end of 1940. Although there was a moderate increase in the capital account the principal rises occurred in the guaranteed trust account, with assets $100,000 higher than in 1939, and in the estate department which showed gain of $152,000.

At the annual meeting, W. H. Gregory, managing director, commented on the effects on profits of investing in war loans at low interest rates the large withdrawals by customers for the same purpose.

The company pays 2½% on deposits and 3½% on guaranteed investment certificates.

Officers—Hon. N. Monteith, pres.; L. M. Johnston, vice-pres.; W. H. Gregory, man. dir.; W. P. Bradshaw, asst. mgr.

Directors — Hon. N. Monteith, Dr. H. B. Kenner, L. M. Johnston, C. E. Moore, W. H. Gregory, Dr. H. W. Baker, A. B. Manson.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit* $	Div. Rate $	*Rate Earned per sh. $
1936	1,825,000	84,206	8	8.42
1937	1,825,000	84,743	8	8.47
1938	1,825,000	86,333	8	8.63
1939	1,825,000	81,959	8	8.20
1940	1,825,000	80,988	8	8.10

*After all charges and reserve for taxes.

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Gtd. invest. receipts	3,341,201	3,291,125
Deposits	2,302,153	2,253,053
Total	5,643,354	5,544,178
Secured by:		
Liquid assets	1,983,468	1,709,785
Mortgages & Int.	3,659,886	3,834,394
Other net assets	1,865,823	1,864,834
	7,509,177	7,409,013
Estates, etc.	1,129,663	968,083

Brockville Trust

Brockville Trust and Savings Co. was incorporated as a loan company in 1885 and was granted trust powers in 1929. Annual report for 1940 shows that its growth continued in its 55th year. Assets in capital account, guaranteed trust account, and in the estates department all showed increases, the last amounting to approximately 16% above 1939.

Regular 5% dividends have been paid in recent years and in the past four years have been supplemented by an extra annual dividend of ¾ of 1%. The company does not operate any branches, pays interest on deposits at 2% per annum and 3½% on guaranteed investment receipts.

All mortgages of the company are in Ontario almost entirely on urban properties. Total farm loans carried are 5.34% of total mortgage investments. Real estate properties held for sale are entirely revenue-producing and urban.

Of the total bonds and debentures on hand on Dec. 31, 1940, the company reports 85% were invested in Dominion Government, provincial and municipal high-grade bonds. The ratio of liquid assets to deposits at the end of 1940 was 72.62%.

Officers—J. Gill Gardner, pres.; L. C. Dargavel, man. dir.; E. J. Smith, sec-treas.

Directors—J. Gill Gardner, E. C. Cossit, F. H. Fulford, A. G. Parish, L. C. Dargavel, Hon. George T. Fulford, Hon. G. P. Graham, F. I. Ritchie, J. M. Dobbie, Hon. H. A. Stewart, Hon. A. C. Hardy, Brockville, Ont.

Earnings Record

Year	Paid-up capital & reserves $	Net* profit $	Div.† paid %	Rate† earned %
1936	700,000	39,535	5	7.91
1937	700,000	39,243	5¾	7.85
1938	700,000	33,859	5¾	6.77
1939	700,000	36,263	5¾	7.25
1940	700,000	29,146	5¾	5.83

*After income tax. †Based on capital paid-up.

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Invest. certificates	291,200	279,100
Deposits	670,440	657,714
Interest	3,548	3,698
	965,188	940,512
Secured by:		
Liquid assets (net)	304,215	277,876
Mortgages & int.	660,973	662,636
Other net assets*	715,560	715,165
	1,680,748	1,655,677
Estates, etc.	927,223	800,994

*After deducting reserves for taxes and unrealized profits; reserve against mortgages, sale agreements and real estate held.

Canada Permanent

Incorporated in 1913, the Canada Permanent Trust Co. is controlled by the Canada Permanent Mortgage Co. through stock ownership.

Estates under management, principal business of the company, increased to $51,930,431 at the end of 1940 as compared with $49,061,620 at the end of 1939. Operating profits were lower in 1940 than in 1939, and taxes were trebled. But the company continues to earn its $6 dividends by a safe margin and add to earned surplus.

Officers — F. Gordon Osler, pres.; J. A. Rowland, first vice-pres. and gen. mgr.; E. D. Gooderham, second vice-pres.; W. F. Watkins, sec.; R. Henderson, inspector of branches.

Directors—F. Gordon Osler, J. A. Rowland, E. D. Gooderham, F. S. Corrigan, G. H. Gooderham, C. S. Robertson, J. R. Lamb, R. L. Warren, Leigh M. McCarthy, Samuel Rogers, Toronto.

Branch Offices — Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Woodstock, Ont., Brantford, Ont., Regina, Sask.

Earnings Record

Year	Paid-up capital & reserves $	Net profit* $	Div. rate $	Rate earned per sh. $
1936	1,400,000	101,492	6	10.15
1937	1,400,000	87,150	6	8.72
1938	1,400,000	94,419	6+1	9.44
1939	1,400,000	101,210	6	10.12
1940	1,400,000	84,300	6	8.43

*After all expenses, charges and taxes.

Creditors' Position

	1940 $	1939 $
Trust funds	1,060,043	1,118,006
Secured by:		
Liquid assets	87,269	94,750
Mortgages & int.	972,774	1,023,256
Other net assets	1,491,281	1,485,770
	2,551,324	2,603,776
Estates, etc.	51,930,431	49,061,619

Canada Trust

In its 29th annual report, Canada Trust Co., subsidiary of Huron and Erie Mortgage Corp., London, shows an advance of almost $1 million in total assets, from $36.6 millions at the end of 1939 to $37.6 millions at the close of the past year. Greater increase was shown in estates under management, which advanced from $26.9 millions to $28.2 millions in the year as contrasted with moderate decline in guaranteed trust accounts.

The company pays 2½% per annum on deposits, and 3 to 3½% on guaranteed trust certificates ranging in term from one to 10 years. Dividends of 8% were paid in 1940; 10% the previous year. Earnings were adversely affected by a doubling of the rate of provincial and federal income taxes payable during the latter year.

Officers—T. G. Meredith, chm. and pres.; J. W. Hobbs, vice-pres.; M. Aylesworth, gen. mgr.; D. McEachren, sec.; C. J. Clarke, treas.; R. P. Baker, invest. exec.; R. H. Cronyn, trust exec.

Directors — T. G. Meredith, chm.; R. H. Cronyn, J. E. McConnell, Morley Aylsworth, Col. I. Leonard, Lt.-Col. Claude Brown, T. W. McFarland, Lt.-Col. A. C. Spencer, London, Ont.; A. R. Bartlett, Windsor; J. B. Davidson, St. Thomas; W. H. Gardner, Winnipeg; John W. Hobbs, Toronto; S. J. Smith, Chatham; E. A. Wilson, Ingersoll; J. M. Riddell, Stratford; F. P. Dawson, Sarnia; G. F. Laing, Vancouver.

Branch Offices—London, Ont. (4); Toronto, Hamilton, St. Thomas, Chatham, Montreal, Windsor, Regina, Winnipeg, Edmonton, Victoria and Vancouver.

Earnings Record

Year	Paid-up Capital & reserves $	*Net profit $	Div. rate $	*Rate earned per sh. $
1936	1,750,000	110,306	10	11.03
1937	1,750,000	104,208	10	10.42
1938	1,750,000	123,204	10	12.32
1939	1,750,000	121,675	10	12.17
1940	1,600,000	106,804	8	10.68

*After all charges and taxes, but before allotting $19,500 to pension fund in 1939 and 1940 and before donation of $1,000 in 1939, $1,350 in 1940 to war charities.

Creditors' Position
As at Dec. 31

	1940 $	1939 $
Trust funds & int.	7,651,054	7,742,417
Secured by:		
Liquid assets	1,649,849	1,468,613
Mortgages & int.	6,001,205	6,273,804
Other net assets*	1,668,375	1,812,421
	9,319,429	9,554,838
Estates, etc.	28,186,385	26,955,141

*After deducting dividends payable, provision for taxes and officers' pension fund.

Capital Trust

The Capital Trust Corp., Ottawa, has been in operation since 1913. Branches are operated at Toronto and Montreal. After a lapse of three years in which no dividends were paid, the 1940 report announced a dividend of 1% would be paid Mar. 1, 1941.

Earnings have risen from 4.76% earned on paid-up capital in 1938 to 5.32% in 1940. The figures showed a rise in guaranteed trust accounts, deposits having increased nearly $100,000. Total reserves are the highest in its history, aggregating $341,142. Liquid assets consisting of government bonds at market values, demand loans, cash on hand, amount to $1.989 million equivalent to 107.28% of the total on demand. Investment in mortgages Dec. 31, 1940, totalled $3.7 millions. Approximately 94% of these mortgages are secured by urban Ontario properties. During the past five years many new loans have been made on private dwellings, duplexes and small apartments.

A notable improvement in real estate activities, particularly in Ottawa, has permitted the company to dispose of a large portion of its real estate. Real estate sales in Toronto since the first of the year also show improvement. There is now an employee pension and retirement fund.

Officers—T. D'Arcy McGee, pres.; A. E. Provost, M. W. Hackett, C. H. La Barge, W. J. Hussey, vice-pres.; E. L. Parent, gen. mgr.; James J. Lyons, asst. gen. mgr. and sec.

Directors—J. J. McFadden, W. J. Hussey, J. A. Kennedy, Col. D. R. Street, A. J. Major, M. A. Mahoney, Hon. J. J. Donnelly, Col. A. E. Kirkpatrick, A. E. Provost, M. W. Hackett, T. D'Arcy McGee, C. H. LaBarge, W. H. Poupore, J. F. McKinley, Dr. J. J. McCann.

Branch Offices—Toronto; Montreal.

Earnings Record

Year	Paid-up Capital & reserves $	Net* profit $	Div. rate %	Rate† earned per sh. %
1936	1,094,676	48,187	3	5.45
1937	1,095,178	50,176	3	5.67
1938	1,145,178	42,104	nil.	4.76
1939	1,170,178	44,445	nil	5.02
1940	1,172,178	47,131	nil	5.32

†Based on account of paid-in capital stock.

*After deducting taxes and write-off of furniture and fixtures (no taxes reported for 1940), but before amounts written off other assets, western government bonds, transfers to contingent reserves, general reserves, officers' pension fund, real estate reserve or reserve for depreciation.

Liabilities to Public
At Dec. 31

	1940 $	1939 $
Trust certs. & int.	3,454,322	3,523,253
Deposits	1,853,678	1,768,935
	5,308,000	5,292,188
Secured by:		
Liquid assets	1,925,671	1,880,802
Mortgages & int.	3,382,329	3,411,386
Other net assets‡	1,058,748	1,068,802
	6,366,748	6,360,990
Estates, etc.	8,240,374	8,541,391

‡All liquid and other capital account assets, less current liabilities, contingent reserve and officers' pension fund.

Central Trust

Central Trust Co. of Canada, with head office in Moncton, and branches in Fredericton and Saint John and Woodstock, confines its mortgage investments mainly to New Brunswick.

Net profit in 1940 was somewhat lower than in 1939, best earnings year in its history. Total of guaranteed certificates and savings deposits increased some $40,000 during the year to $1,042,220 at the end of 1940. Estates under management also increased to $4.4 millions from $4.2 millions a year earlier.

While operating earnings amounted to $8,612 in 1940 compared with $8,545 in 1939, income taxes advanced to $2,014 compared with $831. Net profits remained above the dividend requirement of 6% which has been paid regularly for the last several years. The company pays 3% on savings deposits and 4% on time deposits or trust certificates.

Officers — Hon. F. Magee, pres.; A. C. Chapman, 1st vice-pres., J. F. H. Teed and H. M. Wood, vice-pres., Hon. E. A. Reilly, sec.; E. H. Ritcey, gen. mgr. and asst. sec.

Directors — C. C. Avard, A. C. Chapman, C. W. Fawcett, W. F. Fergusson, J. Le Roy Holman, Hon. F. Magee, R. A. MacNaughton, Senator C. McArthur, R. McManus, W. F. Napier, E. H. Ritcey, Hon. E. A. Reilly, F. R. Sumner, J. F. H. Teed, H. M. Wood.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net profit*	6,598	7,714
Less: Dividends	6,012	6,012
Surplus for year	586	1,702
Add: Prev. surplus	31,265	29,563
Surplus forward	31,851	31,265

*After deducting taxes.

Liabilities to Public

	1940 $	1939 $
Guaranteed certs.	801,934	779,632
Savings, etc.	240,286	223,120
	1,042,220	1,002,752
Secured by:		
Mtges. & int., bonds loans	1,036,355	978,638
Cash	5,865	24,115
Other net assets	134,602	132,296
	1,176,822	1,135,049
Estates, etc.	4,437,014	4,181,642

Chartered Trust

Incorporated in 1905, the Chartered Trust and Executor Co. has head office in Toronto and a branch office in Montreal. Deposits pay 2% per annum and guaranteed investment certificates, 3½% for five-year certificates, 3% for three-year certificates.

Although earnings were down in 1940, largely as a result of an increase in taxes from $19,500 to $27,276, regular dividends of $4 per share continued. The extra $1 dividend paid in 1938 and 1939 was dropped in 1940. Guaranteed trust accounts showed an increase over 1939 and estates business increased some $800,000. Liquid assets at the end of 1940 equalled 108.39% of deposit liabilities as compared with 83.2% in 1932. In the same period, trust deposits increased $1.9 million to $3.4 millions.

Officers—R. R. Corson, pres.; J. J. Gibson, vice-pres. and gen. mgr.; Col. K. R. Marshall, vice-pres.; E. W. McNeill, sec.; F. McLaughlin, mgr. real estate dept.; F. W. Tolfield, Montreal branch mgr.

Directors—R. R. Corson, J. J. Gibson, F. McLaughlin, Col. K. R. Marshall, N.C. Urquhart, A. L. Ellsworth, Lt.-Col. J. H. Chipman, G. C. Leitch, J. M. Macintosh, Alex. B. Gordon, S. G. Bennett, N. J. McLean, J. A. Scythes, E. G. McMillan, Toronto; J. A. Martin, Kitchener; E. K. Reiner, Guelph; C. G. Greenshields, Montreal.

Branch Office—Montreal.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit* $	Div. Rate $	Rate* Earned per Sh. $
1936	1,100,000	82,079	4	8.21
1937	1,100,000	56,273	4	5.63
1938	1,100,000	80,021	5	8.00
1939	1,100,000	78,039	5	7.80
1940	1,100,000	54,424	4	5.44

*After taxes, depreciation, and, prior to 1938, amounts written off goodwill of business taken over by Montreal branch. Staff pension fund payments of $12,368 in 1940; $12,774 in 1939 and $8,602 in 1938, deducted.

Creditors' Position
As at Dec. 31

	1940 $	1939 $
Guar. trust funds	719,469	670,756
Deposits	3,355,057	3,257,426
	4,074,526	3,928,182
Secured by:		
Liquid assets	3,516,363	3,225,437
Mortgages & int.	558,163	702,745
Other net assets*	1,326,964	1,312,485
	5,401,490	5,240,667
Estates, etc.	20,241,836	19,431,803

*Capital account, liquid and other assets, less current liabilities, advance payments, etc.

Crown Trust

Principal business of Crown Trust Co., Montreal, is administration of estates, trusts and agencies. Funds are also taken on deposit.

Moderate increase was experienced in 1940, especially in the trust department. Net earnings before taxation increased over 1939, but after deduction of taxes net profit declined to $44,041 from $47,384 in the preceding year. Earnings were equal to $4.40 a share, against $4.73 a share in the preceding year. Dividends of 4% were paid in both years.

Estates, trusts and agency account increased to $37.2 millions from $34.7 millions in 1939. Guaranteed account decreased to $1.7 million from $1.9 million at the end of 1939.

Investments held are high grade, according to official statements, and call and time loans are well secured. Mortgage loans are all on properties in the district of Montreal.

Officers—R. W. Steele, pres.; I. P. Rexford, vice-pres. & man. dir.; W. H. Jackson, asst. gen. mgr.; Wm. F. Brass, mgr., real estate dept.; J. G. McKay, asst. gen. mgr. and sec.; J. H. Hobbs, asst. sec.

Directors — R. W. Steele, pres.; W. R. Salter, vice-pres.; G. W. Birks, A. H. Campbell, A. Lyman, J. A. Mann, I. P. Rexford, J. G. Ross, J. W. Ross, A. Wainwright, A. B. Wood, P. R. Walters, W. P. O'Brien, J. I. Rankin, W. A. Eden, R. C. Berkinshaw, F. W. Fairman, H. J. Humphrey.

Branch Office—Toronto.

Earnings Record

Year	Paid-up Capital & reserves $	*Net profit $	Div. rate $	*Rate earned per sh. $
1936	1,400,000	72,859	7	7.29
1937	1,400,000	53,855	7	5.38
1938	1,400,000	47,258	4	4.72
1939	1,400,000	47,384	4	4.73
1940	1,400,000	44,041	4	4.40

*Taxes deducted.

Creditors' Position

	1940 $	1939 $
Funds for investment	1,667,280	1,900,205
Secured by:		
Liquid assets	1,365,254	1,550,968
Mtges. & int.	302,026	349,237
Other net assets	1,448,004	1,444,763
	3,116,084	3,344,968
Estates, etc.	37,204,525	34,679,063

Equitable Trust

First balance sheet received from Equitable Trust Co. since April 30, 1937, showed substantial changes to Dec. 31, 1940. Mortgages held have dropped over 25% or nearly $200,000. Deposits have dropped from around $206,000 to $155,000. Guaranteed investment loans are $4,000 lower at $61,000, while debenture bonds and accrued interest stand at $168,000 compared with $557,000 in 1937. Net result is a drop of some $400,000 in total assets. Head office is at Winnipeg.

Officers and Directors — W. L. Parrish, pres.; H. W. Bell, vice-pres.; J. A. Forlong, vice-pres.; W. A. Irish, vice-pres.; A. B. Flett, man. dir., L. B. Billyard, sec.-treas. E. E. Flett.

Year	Total Assets $	Reserve Funds $	Mortgages and Agreem'ts $
1937	1,838,410	401,430	755,971
1940	1,408,858	415,016	557,962

Figures for 1939 and 1938 not available.

Eastern Trust

One of the largest trust companies in the Maritime area, Eastern Trust Co. has its head office at Halifax, N.S., and operates branches at Saint John, Moncton, Charlottetown and St. John's, Nfld., as well as at Montreal and Toronto.

Interest is paid on guaranteed investment certificates at 3% for one to three years, and 2% is paid on demand money. Guaranteed deposits declined some $900,000 in 1940 to $5,047,565, but this was more than compensated by an increase in the estates and trusts under management. Total assets administered now amount to $52.5 millions, slight increase over 1939.

In the 1940 annual report President F. B. McCurdy stated that previously it had been possible to meet generally rising taxes by increasing efficiency and economy, and by enlarging the scope of business. But in 1940, assessments reached a level where net financial results were affected. Net profit after all charges remained above dividend requirements of $8 per share, amounting to $8.04 per share as compared with $10.61 in 1939.

Officers—Hon. F. B. McCurdy, pres.; T. F. Tobin and F. P. Starr, vice-pres.; F. H. M. Jones, gen. mgr.

Directors — Hon. F. B. McCurdy, T. F. Tobin, R. G. Beazley, A. J. Campbell, A. L. Chipman, A. K. Cameron, H. J. Hague, J. C. MacKeen, J. MacNeil, Hon. C. W. Robinson, F. P. Starr, C. W. Stairs, D. C. Sinclair, H. R. Silver, Hon. J. C. Tory, J. H. Winfield, A. S. Fraser, J. W. Godfrey, C. B. Smith, Hon. W. D. Ross, Col. D. H. McDougall.

Branch Offices — Montreal, Saint John, Moncton, Charlottetown, St. John's, Nfld.; Toronto.

Earnings Record

Year	Paid-up capital & reserves $	Net profit $	Div. rate $	Rate earned per sh. $
1936	1,275,000	105,635	8	10.56
1937	1,300,000	105,126	8	10.51
1938	1,325,000	105,868	8	10.58
1939	1,350,000	106,115	8	10.61
1940	1,350,000	80,391	8	8.04

Creditors' Position

	1940 $	1939 $
Guaranteed deposits	5,047,565	5,936,776
Secured by:		
Liquid assets	3,387,991	4,175,069
Mortgages	1,659,574	1,761,707
Other net assets	1,376,650	1,376,260
	6,424,215	7,313,036
Estates, trusts, etc.	56,011,014	55,104,023

Fidelity Trust

Earnings of Fidelity Trust Co., Winnipeg, in 1940 amounted to only $30. This amount was applied against the deficit resulting from losses in 1935 and 1937.

Assets dropped approximately $16,000 mainly through liquidation of mortgages and agreements receivable. These ended the year at $131,780 as compared with $145,469 in 1939. No change was shown in property holdings in Edmonton while farm properties were up some $8,000. City houses dropped some $10,000. As a result, the company reduced liabilities to the public by over $9,000. It does not accept deposits, issue guaranteed trust certificates, nor operate branches.

Officers—C. M. Simpson, pres. and mgr.; W. L. Parrish, vice-pres.; R. W. Rutherford, sec.-treas.

Directors—W. L. Parrish, C. M. Simpson, J. H. G. Russell, J. Douglass, F. W. Sparling, all of Winnipeg; A. J. Keith, Dr. R. F. Werner, Eau Claire, Wis.

Earnings Record

Year	Paid-up Capital & reserves $	Net profit $	Div. rate %	Rate† Earned per sh. %
1936	450,097	60	..	...
1937	434,673	*1,079	..	...
1938	434,472	88	..	0.02
1939	434,473	440	..	0.10
1940	428,696	30	..	0.01

* Loss.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1936	481,329	23,764	30,584
1937	458,245	8,340	23,443
1938	460,298	8,140	25,019
1939	455,602	8,141	20,841
1940	439,932	2,364	11,094

General Trust

Operating one of the larger trust companies in Quebec province, General Trust Co. has head office at Montreal and a branch in Quebec city. Its estate business had nearly $50 millions under administration at the end of 1940.

Largely as a result of jump in taxes from $13,645 in 1939 to $29,513 in 1940, earnings per share in 1940 were $5.70 against $6.49 in 1939. The company reduced its rate of payments to 5% with distribution of Oct. 15, 1940. Guaranteed deposits on which the company paid interest of 2% in 1940, are secured entirely by call loans or short term fully secured bonds and debentures. Gross capital assets totalled $1.4 million of which approximately two thirds are invested in liquid securities, cash and other liquid assets.

Earnings Record

Year	Paid-up Capital▲ $	Net Profits† $	Div. Rate* $	Rate Earned per sh. $
1936	1,105,000	72,683	6	6.60
1937	1,105,000	71,969	6	6.54
1938	1,105,000	71,062	6	6.46
1939	1,105,000	71,386	6	6.49
1940	1,105,000	62,720	5.75	5.70

▲Capital stock consists of $1,100,000 of preferred and $5,000 of common. *On preferred. †After providing for depreciation of investments.

Creditors' Position

	1940 $	1939 $
Guaranteed account	1,766,336	2,302,009
Secured by:		
Liquid assets	1,766,336	2,302,009
Net capital assets	1,309,243	1,307,023
	3,075,579	3,609,032
Estates, etc.	49,747,574	50,257,501
Safe custody account	38,198,571	36,874,225

Officers—Hon. D. O. L. L'Esperance, chm. of board, Hon. Donat Raymond, pres., Beaudry Leman and L. J. Adjutor Amyot, vice-pres.; Rene Morin, gen. mgr.; L. Trottier, treas.; J. Casgrain, sec.; M. Desy, branch mgr.

Directors—Hon. D. O. L'Esperance, Beaudry Leman, L. J. Adjutor Amyot, J. Beaubien, L. E. Beaulieu, A. Terroux, J. T. Donohue, Sir J. G. Garneau, Mendoza Langlois, Hon. J. Nichol, Hon. J. E. Perrault; Hon. Donat Raymond, L. G. Ryan, Hon. G. A. Simard, C. E. Taschereau, C. Laurendeau, A. H. Paradis, Rene Morin, G. Belleau.

Branch Office—Quebec City.

General Trust & Executor

Founded in 1929, with head office in Halifax, General Trust & Executor Corp. does not operate outside branches. Total assets at Feb. 28, 1941, amounted to $2,070,978 compared with $280,655 in 1930.

Interest at rates from 2½ to 4% has been paid on guaranteed trust certificates, depending on the term of years. Dividends have been paid at 4%, half-yearly in June and December.

In its latest fiscal year the company reports gains in guaranteed trust account and in estates. Earnings after taxes were lower, but at 4.99% of paid-up capital remain above dividend payments. Taxes in 1941 amounted to $3,236, compared with $4,882 in the fiscal year ended Feb. 29, 1940.

Officers—E. L. Macdonald, pres.; J. McConnell, vice-pres.; R. J. Machum, mgr. and sec.

Directors—E. L. MacDonald, J. McConnell, G. McL. Daley, Hon. F. R. Davis, G. B. Isnor, F. H. Manning, C. S. Morton, W. D. Piercey, W. R. Powell, C. L. Sanderson, L. E. Shaw, Lt.-Col. S. C. Oland, A. D. Smith, J. T. Cummings, H. J. Kelley.

Earnings Record

Yr. end. Feb. 28:	Paid-up capital $	Net profit* $	Div. rate %	Earned per sh. %
1936	252,300	12,873	4	5.1
1937	252,300	12,410	4	4.9
1938	252,300	14,003	4	5.5
1939	252,300	16,092	4	6.4
1940	252,300	16,838	4	6.7
1941	252,300	12,602	4	4.99

*After deducting taxes.

Creditors' Position

	1941 $	1940 $
Invest. certs.	975,384	896,376
Deposits	9,175	5,487
	984,559	901,863
Secured by:		
Liquid assets	293,461	141,508
Mortgages	691,098	760,335
Net capital assets	306,792	304,277
	1,291,351	1,206,140
Estates, etc.	774,326	673,939

Grey and Bruce Trust

Founded 1889, Grey and Bruce Trust and Savings Co., Owen Sound, Ont., has shown substantial growth in the past 50 years. In 1890 deposits and guaranteed investments totalled $16,569, at the end of 1940, these were $3.1 millions. Total assets which aggregated $84,230 in 1890 now total $5.6 millions. In the past 10 years, deposits and guaranteed investments have trebled and total assets have grown from $2 millions to $5.6 millions.

The company does not operate branches and its investments are confined largely to Grey and Bruce counties and the City of Toronto. No western mortgages are held. Mortgage payments for 1940 were the best in the company's history. Out of approximately $1.3 million in mortgages well over $1 million have no arrears.

Its estate business which increased more than $350,000 in 1940 is not confined to large estates, the average estate handled being $13,925.

The company pays 2% on deposits, 3¾% on five-year guaranteed investment certificates.

Officers—C. A. Fleming, pres.; W. S. Middlebro, and James Gardner, vice-pres.; O. E. Manning, mgr.; W. M. Telford, sec.-treas.

Directors—C. A. Fleming, W. S. Middlebro, Dr. A. L. Danard, G. D. Fleming, James Gardner, Dr. G. H. Holmes, Dr. R. Howey, J. G. Fraser, G. D. McLauchlan, E. N. Cooper, O. E. Manning, J. G. Lind.

Earnings Record

Year	Paid-up capital & reserves† $	Net profit* $	Div. rate %	Rate earned per sh. %
1936	619,700	41,608	4	7.64
1937	619,700	48,237	4	8.86
1938	619,700	49,150	4	9.02
1939	619,700	46,084	4+1	8.46
1940	619,700	45,024	4+1	8.27

*After interest, management, etc., depreciation on buildings and taxes.

†General reserves only.

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Investment certifs.	1,890,684	1,660,080
Deposits	1,213,090	1,352,352
	3,103,774	3,012,432
Secured by:		
Liquid assets	2,103,245	1,959,531
Mortgages & int.	1,000,528	1,052,901
Other net assets*	619,700	619,700
	3,723,473	3,632,132
Estates & trusts	1,685,028	1,331,319

*Liquid and fixed assets in capital account, less current liabilities and all reserves except general reserves.

(Continued on page 1[illegible])

THE TORONTO MORTGAGE CO.
13 TORONTO STREET, TORONTO
A. M. M. KIRKPATRICK, President
WALTER GILLESPIE, Managing Director

Present Cash Value of Total Assets - - - - $5,428,400
Surplus, Over all Liabilities to Public - - - - $2,300,000

2% Allowed on Savings Deposits, Withdrawable by Cheque.

3¼% Paid on Debentures in all Denominations for three to five years.
L'GAL INVESTMENT FOR TRUST FUNDS

First Mortgage Money to loan on modern solid brick dwellings, in good residential districts. Prompt service.

GUELPH AND ONTARIO
Investment and Savings Society
Incorporated A. D. 1876

DEPOSITS RECEIVED
DEBENTURES ISSUED

The Guelph Trust Company
under the same Management

Acts as Executor, Administrator, Trustee, etc.
SAFETY DEPOSIT BOXES FOR RENT

J. R. HOWITT, K.C.
President
J. M. PURCELL
Managing Director
H. L. BENALLICK
Assistant Manager

Head Office: GUELPH, ONTARIO

The Brockville Trust and Savings Company
Brockville, Ont., Canada

Paid-up Capital - - - 500,000.00
Reserve Fund - - - 200,000.00
Investment Reserve - - 78,414.17
Profit and Loss - - - 15,560.76
Total Assets - - - 2,736,257.97

DIRECTORS
J. Gill Gardner, President
Geo. T. Fulford, M.P., Vice-President
L. C. Dargavel, Managing-Director
F. H. Fulford
F. I. Ritchie
Rt. Hon. Geo. P. Graham, P.C., A. G. Parish, K.C.
J. M. Dobbie
Hon. A. C. Hardy, K.C.
E. C. Cossitt
Hon. H. A. Stewart, K.C.
E. J. Smith, Secretary-Treasurer

Head Office—Montreal
CREDIT FONCIER FRANCO-CANADIEN
Established in 1880

Loans on First Mortgages

General Manager
R. de Roumefort

Assistant General Managers
Marcel Pasquin
Armand Chevalier
General Secretary

Head Office, Montreal
Branches:
Quebec
Regina
Toronto
Edmonton
Vancouver
Winnipeg

THE ONTARIO LOAN AND DEBENTURE COMPANY
London - Ontario
Incorporated and Established 1870

Capital $2,000,000
Reserve Fund $2,400,000

Assets
(31st December, 1940)
$16,831,138

Surplus of Assets over Liabilities to the Public
$4,559,889

DIRECTORS:
Archibald McPherson,
President
Thomas H. Main,
Vice-President
J. McClary Gunn
O. Roy Moore
Edward E. Reid
James B. Orr

MANAGER:
Thomas H. Main

Assistant Manager
Joseph P. Dewan

SAVINGS DEPOSITS
subject to withdrawal by cheque

DEBENTURES ISSUED

Interest payable half-yearly by coupons or, under accumulative debentures, may be left to accumulate at compound interest until maturity. The Company's Debentures are a legal investment for Trust Funds, which may also be deposited in the Company's Savings Department.

Offices: — Dundas Street, Market Lane, Market Square
London, Ontario

Canadian Trust Companies Reviewed

(Continued from page 14)

Guaranty Trust

Guaranty Trust Co. of Canada with head office in Toronto, a branch in Windsor, has added a second branch at Niagara Falls, Ont., through the absorption of the Fidelity Trust Co. of Ontario.

As a result of this expansion it showed gains of approximately 50% in guaranteed trust accounts and nearly 80% in estates under management.

Partly as a result of a 44% increase in income tax payable, net profit was somewhat lower in 1940. This, however, did not reach the point where dividends at the rate of 5% which have been paid in the recent years were threatened. Earnings per share were 5.35% in 1940 against 7.74% in 1939.

Officers—E. Blake Winter, pres.; F. H. Leslie, R. Maisey, and E. M. Proctor, vice-pres.; J. W. Berry, vice-pres. and gen. mgr.; E. T. Berry, treas.; J. A. Thompson, sec.

Directors—A. F. Healy, F. A. Hough, E. C. Kenning, R. Maisey, E. B. Winter, J. W. Berry, J. M. Hayes, E. M. Proctor, L. A. Landriau, G. G. Robinson, L. Blake Duff, G. B. Snyder, F. H. Leslie.

Branch Offices—Toronto, Windsor, Niagara Falls.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	†Div. Rate	†Rate Earned per sh.
	$	$	%	%
1936	190,914	12,825	5	9.68
1937	211,000	16,295	5	10.86
1938	311,000	17,548	5	7.02
1939	311,000	19,336	5	7.74
1940	361,000	16,039	5	5.35

*Before deducting write-down of safety deposit equipment, reduced to $1 by end of 1937, and office equipment acquired in 1938, written down to $1 in the same year.

†Based on capital paid up at year end.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guar. Trust acct.	1,198,700	757,564
Secured by:		
Liquid assets	921,323	505,630
Mortgages & int. ..	277,377	245,934
Other net assets ...	381,637	328,643
	1,580,337	1,080,207
Estates	8,802,463	5,176,793

Guardian Trust

Annual financial statements of Guardian Trust Co. for 1940 are not available for publication.

The company, incorporated in 1930, acquired an established trust business which had been functioning since 1897.

The company, with head office in Montreal, is interested primarily in the administration of estates, trusts and agencies.

Following is a summary of 1939 and 1938 financial statements:

Officers and Directors—S. Stanger, chm.; R. Stanger, pres.; J. B. Frosst, vice-pres.; P. A. Pinck, treas.; R. C. Tees, sec.; H. Braff, H. W. Reynolds, C. W. Webster, J. O. Harris, F. A. Beique, F. D. Lindsay, W. Sweeney.

Shareholders' Position

	1939	1938
Div. rate	......	3%
Rate earned per sh. ..	$0.80	$0.73
Net profit	1,414	1,565
P. & L. surplus	1,191	1,276

Creditors' Position

	1939	1938
Invest. certs.	$4,548	$29,981
Trust funds	6,000	5,570
Due co. funds	4,000	......
Secured by:		
Liquid assets	913	18,951
Mortgages	13,205	17,030
Other net assets	294,477	301,908
	308,595	337,889
Estates, etc.	8,916,963	8,541,162

Guelph Trust

The Guelph Trust Co., Guelph, is a subsidiary of Guelph and Ontario Investment & Savings Society.

In its 24th annual report covering 1940, Guelph Trust showed an increase of about $350,000 in estates under management and minor declines in guaranteed trust funds. These comprise guaranteed investment certificates carrying 3¼% for three-year periods and 3½% for five years.

The company does not operate any branches and has its mortgage investments almost entirely in Ontario. An increase in the proportion of mortgages to liquid assets securing guaranteed funds was shown in the 1940 balance sheet.

Earnings have been ample to meet the dividends of $2.50 per share on the $50 par value stock. Although tax reserves increased from $7,775 in 1939 to $13,847 in 1940, earnings of $4.34 per share remained well above dividend requirements.

Officers—J. R. Howitt, pres.; J. M. Purcell, 1st vice-pres., man. dir. and sec.; J. J. Shaw, 2nd vice-pres.

Directors—J. R. Howitt, J. R. Phin, J. J. Shaw, J. M. Purcell, J. Armstrong, G. A. Forbes, Dr. H. O. Howitt, R. F. Auld.

Earnings Record

Year	Paid-up capital & reserves	Nett profit	Div. rate	Rate earned per sh.*
	$	$	$	$
1936 ...	451,850	30,926	2.50	5.13
1937 ...	451,850	33,096	2.50	5.50
1938 ...	451,850	32,553	2.50	5.40
1939 ...	453,500	33,128	2.50	5.48
1940 ...	453,500	26,249	2.50	4.34

†After all charges, including taxes.

*Par value of stock $50.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Trust funds	529,107	532,202
Secured by:		
Liquid assets	68,082	79,089
Mortgages & int. ..	461,025	453,113
Other net assets	525,206	528,806
	1,054,313	1,061,008
Estates, etc.	4,615,315	4,266,883

Lambton Trust

Lambton Trust Co., Sarnia, is a subsidiary of the Lambton Loan and Investment Co. It does not accept deposits or issue debentures, confining itself entirely to the management of estates.

During 1940 the value of managed estates rose about 50% to $466,260 as compared with $309,565 at the end of 1939. This sharp increase brought the volume of trust, estates, and agencies to a new high. Officers expect this growth will continue as the owners of small estates are becoming more and more aware of the services rendered by trust companies.

Increased business has not yet reflected in earnings per share which dropped from 4.83% of paid-up capital in 1939 to 4.06% in 1940. Dividends have been paid regularly at the rate of 4% per annum.

Officers—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.

Directors—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, W. H. Kenny, all of Sarnia; A. G. Minielly, Watford; R. M. E. McDiarmid, Alvinston.

Savings Record

Year	Paid-up capital & reserves	Net profit	†Div. rate	†Rate earned per sh.
	$	$	%	%
1936	211,000	9,721	4	6.03
1937	212,000	12,060	4	7.44
1938	212,000	10,383	4	6.41
1939	258,300	11,503	4	4.83
1940	258,850	9,689	4	4.06

†Based on capital paid-in of $238,850 in 1940; $238,300 in 1939. Capital includes 217 fully paid, 6,080 75% paid shares in 1940; 206 fully paid and 6,080 75% paid in 1939.

Assets Position

	1940	1939
	$	$
Liquid assets	106,368	102,743
Mtges. & int. (net) ..	199,854	201,824
Other net assets	*366	548
	305,856	305,115
Estates	466,260	309,565

*Debit.

London and Western

Head office of the London & Western Trust Co. Ltd. is London, Ont. Branches are operated in Toronto, Windsor, Winnipeg, Saskatoon, Vancouver and Victoria. Regional boards are stationed at Toronto, Winnipeg and Vancouver.

During 1940 it made substantial additions to general investment reserves which rose from $317,666 to $585,214. The increase was effected by transfer of $167,007 of profits last year and also of $100,015 from reserves.

Earnings were approximately one third lower in 1940 than in 1939, largely as a result of increased appropriations for Dominion and provincial taxes which totalled $17,500 in the latter year. Writing down assets during the year brought total assets to $3.8 millions, as compared with $4.4 millions at the end of 1939.

Officers—John S. Moore, chm. of board; Rt. Hon. Arthur Meighen, pres.; Ray Lawson, G. C. Gunn, R. Harris, E. W. Kneeland, H. R. MacMillan, vice-pres.; T. F. Walker, gen. mgr.; M. W. L. Murray sec.; J. Godwin, treas.

Directors—Ronald Harris, Rt. Hon. Arthur Meighen, Ray Lawson, G. C. Gunn, John S. Moore, G. H. Aikins, G. Montegu Black, Winnipeg; Brig. Gen. J. A. Clark, Gordon Farrell, H. R. MacMillan, Vancouver; W. L. Duffield, Lt.-Col. G. Ingram, A. McPherson, J. McClary Moore, J. E. Smallman, London, Ont.; W. G. Fisher, London, Ont.; E. W. Kneeland, Winnipeg; Philip Pocock, J. G. Thompson, London, Ont.; Sigmund Samuel, D. H. Gibson, N. C. Pearce, R. E. Grass, Toronto; E. Tomlin, Victoria; J. W. Younge.

Branches—Windsor, Ont., Toronto, Winnipeg, Vancouver, Saskatoon.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	Div. Rate	Rate Earned per Sh.
	$	$	$	$
1936	1,614,240	48,519	..	3.99
1937	1,614,240	48,901	..	4.02
1938	1,614,240	45,415	..	4.30
1939	1,614,240	45,093	..	3.71
1940	1,513,700	30,486	..	2.51

*After deducting all operating costs, taxes and amounts written off premises.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guaranteed funds	2,237,045	2,237,254
Secured by:		
Liquid assets	568,922	590,759
Mtges., agree., etc. .	1,668,755	1,658,245
Other net assets	1,544,185	2,098,913
	3,781,862	4,347,917
Estates, etc.	38,142,328	38,342,399

Maritime Trust

The Maritime Trust Co., Saint John, N.B., does not accept deposits or issue guaranteed trust certificates. Through head office at Saint John, its branch at Charlottetown, P.E.I., and its agencies in Summerside, P.E.I., and Fredericton, N.B., its principal dealings with the public are in the handling of estates. Total estates under management end of 1940 were $2.6 millions, a drop from the $2.9 millions shown at the end of 1939, occasioned by the winding up of several large estates. Virtually all assets are liquid. Investments carried at $204,511 are some $3,000 less than market value. These consist entirely of Dominion, provincial, guaranteed and municipal bonds and a few bank stocks.

Dividends are currently being paid at 5% per annum.

Officers — H. P. Robinson, pres.; F. C. Beatteay, vice-pres.; P. G. Clark, vice-pres.; H. C. Wilson, gen. mgr.

Directors—W. C. Allison, F. C. Beatteay, J. B. Dever, C. F. Inches, J. MacMurray, J. D. McKenna, A. N. McLean, R. H. McLean, Hon. A. P. Paterson, H. P. Robinson, A. H. Wetmore, all of Saint John; Hon. F. B. Black, Hon. A. B. Copp, Sackville, N.B.; W. W. Boyce, L. S. Morrison, J. A. Reid, J. J. F. Winslow, Fredericton, N.B.; P. G. Clark, Summerside, P.E.I.; G. P. Burchill, South Nelson, N.B.; H. A. Carr, Campbellton, N.B.; W. F. Fraser, New Glasgow, N.S.; Hon. G. B. Jones, Apohaqui, N.B.; E. W. Mair, Woodstock, N.B.; F. M. Ross, Montreal; Hugh Mackay, Rothesay, N. B.; G. J. Tweedy, R. E. Mutch, Charlottetown, P.E.I.; H. O'Leary, Richibucto, N.B.; W. J. Kent, Bathurst, N.B.

Branch Offices—Charlottetown.

Agencies—Summerside, P.E.I.; Fredericton, N.B.

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate† earned per sh.
	$	$	%	%
1936	136,100	8,294	4	6.09
1937	137,100	8,729	4	6.37
1938	137,100	8,806	4	6.42
1939	171,375	9,487	5	5.54
1940	171,375	8,266	5	4.82

†Earned on paid-up capital, which was 50% of subscribed capital to and including 1938; 62½% thereafter.

*After all charges including depreciation and taxes.

Capital Account Net Assets

	1940	1939
	$	$
Liquid assets	215,052	217,899
Other assets	1,478	2,749
Less: Current liabs. ..	19,627	14,873
	196,903	205,775
Estates, etc.	2,623,594	2,882,871

Note: — Shareholders' subscriptions uncalled, amounting to $102,825 in both years, are not included under assets.

Montreal Trust

Montreal Trust Co. is one of the largest organizations of its kind in Canada. Branches are operated in the principal cities of Canada as well as a branch office in London, England.

The estates, trust and agencies department was especially active in 1940, and assets under administration rose by $8.5 millions to $857.3 millions. Corporate trusts department, on the other hand, was not as active as in previous years because of diminishing corporation loans by bond issues. There were fewer receiverships and reorganizations. Earnings from the latter departments fell as a result of the lower activity. Decline was also registered in the company's transfer department, due to the inactivity of the stock market.

Net profit, after deduction of income taxes amounted to $400,167 in 1940, compared with $490,272 in the preceding year. This was equal to earnings on the outstanding capital stock of $5 and $6.13, respectively. Taxation increased during the year from $69,615 to $137,541.

Officers—Sir Herbert Holt, pres.; M. W. Wilson, vice-pres.; F. G. Donaldson, vice-pres. and gen mgr.; W. S. Greene and J. P. Angus, asst. gen. mgrs.

Directors—Sir Herbert Holt, G. H. Montgomery, W. H. Coverdale, F. G. Donaldson, G. H. Duggan, A. E. Dyment, G. W. MacDougall, C. H. Carlisle, J. S. Norris, F. W. Ross, R. V. Le Sueur, M. W. Wilson, P. F. Sise, W. F. Angus, A. P. Holt, J. C. Newman, H. Crabtree, J. D. Johnson, G. B. Foster, J. McG. Stewart, S. G. Dobson, A. Cross, H. R. Cockfield.

Branch Offices—Halifax, Toronto, Winnipeg, Edmonton, Vancouver, London, Eng., St. John's, Nfld., Nassau, B.W.I.; Charlottetown, P.E.I.

Earnings Record

Year	Paid-up Capital & reserves	Net profit	Div. rate	Rate Earned per sh.
	$	$	$	$
1936	5,000,000	386,105	4	4.83
1937	5,000,000	430,661	4	5.38
1938	5,000,000	463,964	4	5.80
1939	5,000,000	490,272	4	6.13
1940	5,000,000	400,167	4	5.00

Creditors' Position

	1940	1939
	$	$
Trust funds	15,372,964	17,263,191
Secured by:		
Trust acct. assets .	15,372,964	17,263,191
Net cap. assets ..	5,632,600	5,562,432
	21,005,564	22,825,623
Estates, etc.	857,287,318	848,626,092

National Trust

Established in Toronto in 1898 the National Trust Co. Ltd. is one of the larger trust companies in Canada. Office premises and deposit vaults are also operated at Montreal, Winnipeg and Edmonton.

Accounts handled at the end of 1940 totalled over $295 millions. Largest item was $231.8 millions of estates and trusts under management. Majority of the accounts taken under administration in recent years has been in amounts of less than $25,000. In addition to its estate business, the company handles $43 millions on agency accounts and has savings deposits outstanding to the value of $20.5 millions. The rate paid on savings deposits is 2%, that on guaranteed certificates 3% for periods of 3, 4 or 5 years on amounts of $500 and over. No new certificates are presently being issued except on renewals of matured certificates, but there was over $2 millions outstanding at the end of 1940 in guaranteed trust certificates.

Earnings in 1940 were somewhat lower than in 1939. This came largely as a result of higher income taxes amounting to $177,821 in 1940 as compared with $93,688 in 1939.

Officers — Leighton McCarthy, chm. of board; J. M. Macdonnell, pres. and gen. mgr.; E. R. Wood, H. C. Cox, Rt. Hon. Sir Thomas White, G. A. Morrow, vice-presidents; W. M. O'Connor, Terence Sheard, asst. gen. mgrs.; F. R. MacKelcan, counsel, corp. trust dept.; H. A. Clark, mgr. Toronto office; W. G. Davidson, sec.; H. H. Wilson, treas.

Directors—Leighton McCarthy, chm.; W. E. Rundle, E. R. Wood, H. C. Cox, R. Y. Eaton, Rt. Hon. Sir Thomas White, Miller Lash, J. M. Macdonnell, J. A. McLeod, G. A. Morrow, A. N. Mitchell, S. H. Logan, Sir Ellsworth Flavelle, J. P. Bickell, R. A. Bryce, R. A. Laidlaw, Hon. F. J. Hughes, all of Toronto; H. B. Walker, W. M. Birks, Aimé Geoffrion, Carl Riordon, Wm. Leggat, W. Molson, E. FitzGerald, A. S. McNichols, of Montreal; W. H. McWilliams, A. S. Bond, of Winnipeg; G. W. McLaughlin, Oshawa; D'Arcy Martin, G. H. Levy, Colin Osborne, all of Hamilton.

Branch Office—Toronto, Montreal, Hamilton, Winnipeg, Saskatoon, Edmonton.

Year	Paid-up Capital & reserves	Net profit*	Div. rate	Rate earned per sh.
	$	$	$	$
1936 ...	6,000,000	258,465	8	8.62
1937 ...	†4,750,000	260,362	8	8.68
1938 ...	4,750,000	268,479	8	8.95
1939 ...	4,750,000	271,453	8	9.05
1940 ...	4,750,000	247,274	8	8.24

†After transferring $1,250,000 to contingency reserve. *After cost of management, directors' and auditors' fees, contingencies, etc., and provision for taxes.

Liabilities to the Public
As at Dec. 31

	1940	1939
	$	$
Trust certificates	2,122,411	2,244,322
Trust deposits	20,466,548	22,016,729
Total	22,588,959	24,261,051
Secured by assets:		
Liquid assets	13,683,476	14,717,433
Mortgages	8,905,482	9,543,618
Net capital acct. assets*	5,235,405	5,228,131
Total	27,824,364	29,489,182
Estates, etc.	274,939,287	275,969,898

*After deducting reserve for employees' benefits of $50,000.

Northern Trusts

While Northern Trusts Co., Winnipeg, does not accept money on deposit nor issue debentures, guaranteed funds for investment and trust and agency funds totalled over $1.3 millions the end of 1940. These liabilities were secured by over $2.4 millions of various assets in which liquid assets played a small part. The company's mortgage investments, end of Dec., 1940, were distributed 37% in city mortgages, 63% in farm obligations and 18% of the mortgages held were located in Manitoba, 46% in Saskatchewan, 35½% in Alberta, and ½ of 1% in Ontario and British Columbia. A year earlier these figures showed that mortgages in Saskatchewan totalled 43% and in Alberta 38% of the total.

Officers—R. T. Riley, chm. of board; C. S. Riley, pres.; W. A. Murphy, R. J. Gourley, vice-pres.; J. H. Riley, gen. mgr.; M. J. Marshall, treas.; Wm. Milton, sec.; H. C. M. Brown, Regina branch mgr.; J. S. McMurchy, Calgary branch mgr.

Directors—R. T. Riley, D. K. Elliot, C. S. Riley N. J. Breen, J. A. Crowe, R. J. Gourley, W. A. Murphy, H. B. Lyall, S. T. Smith, J. H. Turnbull, G. McLean, W. J. Dowler, Winnipeg, E. J. Tarr, A L. Denison.

Earnings Record

Year	Paid-up Capital & reserves	Net profit	Div rate	Rate earned per sh.
	$	$	$	$
1936	1,097,435	15,965	.	0.53
1937	1,042,162	21,346	.	0.71
1938	910,247	17,130	.	0.57
1939	903,754	37,615	.	1.25
1940	915,505	17,672	.	0.59

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guaranteed funds	814,392	958,532
Trust funds	513,701	568,631
	1,328,093	1,527,163
Secured by:		
Liquid assets	5,391	2,419
Mtges. & sale agmts.	1,322,702	1,524,744
Other net assets* ...	1,081,106	1,051,683
	2,409,199	2,578,846
Estates	14,268,921	14,641,802

*Investment reserve, amounting to $315,505 in 1940 and $303,754 in 1939, not deducted.

Nova Scotia Trust

The Nova Scotia Trust Co. confines its business entirely to Nova Scotia and has its head office in Halifax, a branch at Sydney.

Now past its 30th year in business the company has paid 7% annual dividends for 22 years. Demand deposits are taken at 2% interest, while 3½% is paid on short term trust certificates, 4% for five years and over.

Estates under administration increased by approximately $600,000 to $9.4 millions. Deposits and certificates outstanding showed slight decline, but there was a net rise in liquid assets earmarked for guaranteed trust account. There was also an increase in net capital assets.

Officers and Directors — M. S. Clarke, pres.; B. P. Sanders, vice-pres.; T. W. Murphy, vice-pres.; R. W. Elliott, man. dir.; C. W. Anderson, L. A. Forsyth, A. A. McIntyre, M. J. Wardrope, R. A. Corbett, Hon. W. H. Dennis, G. E. Graham, G. H. Murphy, J. A. Young, A. N. Jones, G. R. Harrison, sec.

Branch Office—Sydney.

Shareholders' Position
Years Ended

	Feb. 28 1941	Feb. 29 1940
	$	$
Rate earned per sh.†	11.07	11.42
Divds. paid per sh. ..	7.00	7.00
Net profits†	55,336	57,103
P. & L. surplus	18,855	25,716

†Before write-offs and transfers to reserves.

Creditors' Position

	1941	1940
Certs. & deposits ...	1,412,769	1,445,493
Secured by:		
Liquid assets	115,050	80,200
Mortgages	1,297,719	1,365,294
Other net assets‡ ..	763,855	760,716
	2,176,624	2,206,210
Estates, etc.	9,424,194	8,889,426

‡Other assets less special reserves.

Osler & Nanton Trust

Osler & Nanton Trust Co., Winnipeg, is controlled by Osler, Hammond & Nanton, Ltd., who act as manager of the trust company. Total assets at the end of 1939, latest figure available, amounted to $4,309,482, as compared with $4,374,759 a year earlier. Net company assets, exclusive of estates, etc., were $745,802, as compared with $779,154 at the end of 1938.

Directors—H. F. Osler, pres.; C. M. Taylor, vice-pres.; D. A. B. Murray, sec.; E. A. Nanton, H. Ford, W. E. Meikle, Lt.-Col. L. D. M. Baxter.

	1939	1938
	$	$
Capital paid-up	650,000	650,000
Reserves	163,954	167,037
Net company assets ..	745,802	779,154
Estates, etc.	3,563,681	3,595,605
Total assets	4,309,482	4,374,759
Loss for year	7,065	4,886

Latest figures available.

Premier Trust

Head office of the Premier Trust Co. is in Toronto, and branches are operated in London and St. Catharines, Ont., the company accepts deposits at 2% per annum, and issues guaranteed investment receipts at 3% on one to two year term receipts, 3¼% on 3 to 4 year receipts, and 3½% on 5 to 10 year receipts. The company has a strong liquid position and mortgage investments are practically all in Ontario. It reported all departments showed increased activities in 1940, a rise of almost $300,000 was shown in estates under management, while good collections raised earnings from 4.6% of paid up capital to 5.13%, despite a rise from $3,000 payable in income taxes in 1939 to $10,000 in 1940.

Officers and Directors — T. B. Holmes, pres. and gen. mgr.; Dr. J. Dearness, vice-pres.; N. S. Watt, sec.; A. H. Seguin, D. C. MacLachlan, J. G. Holmes.

Branch Offices—London, Ont., St. Catharines, Ont.

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate† earned per sh.
	$	$	%	%
1936	737,977	33,946	5	5.69
1937	1,306,093	74,489	5	8.12
1938	1,351 527	65,467	5	5.44
1939	1,361,941	56,510	4	4.60
1940	1,367,101	63,201	4	5.13

*After deduction of income tax reserve, and not including premiums on sale of capital stock.

†Based on average amount of paid-in capital during year.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Invest. certfs. & debs.	1,584,549	1,665,154
Deposits	1,325,397	1,358,999
	2,909,946	3,024,153
Secured by:		
Liquid assets	1,077,387	1,091,180
Mortgages & int. ...	1,832,559	1,932,547
Other net assets ...	1,367,101	1,364,509
	4,277,047	4,388,236
Estates, etc.	10,180,512	9,902,047

Prudential Trust

Prudential Trust Co. is primarily interested in the administration of estates, trusts and agencies. Head office is in Montreal.

Net loss of $1,271 was reported in 1940, compared with a net profit of $256 in 1939.

Estates, trusts and agency accounts totalled $2.6 millions at Dec. 31, 1940, an increase of $221,139 over the previous year. Only liability to the public is accounts payable and accrued charges of $8,108 at the end of the year, for which there were substantial liquid assets.

Officers — Henry N. Chauvin, pres.; P. Galibert, vice-pres.; F. S. Taylor, gen. mgr.; A. Hall, sec.-treas.

Directors — H. D. Chauvin, P. Galibert, W. D. Robb, S. H. R. Bush, W. B. Powell, E. V. Barthe, H. E. Walker, F. S. Taylor, G. Ganetakos.

Branches—Toronto, Regina, Calgary, Vancouver.

Shareholders' Position

	1940	1939
	$	$
Net profit	*1,271	266
Dividends paid	nil	2,191
P. & L. balance	92,981	94,252

*Loss.

Royal Trust

Royal Trust Co., with head office in Montreal, is one of the largest trust companies in the Dominion.

It reported net profit of $359,087 for 1940, compared with $454,502 the preceding year. This was equal to earnings on the common stock of $20 par value of $3.59 and $4.55 respectively.

Decrease in earnings was due in part to the effect of war on finance, according to R. P. Jellett, vice-president and general manager.

The company paid total dividends of $4 a share in 1940, the same rate that prevailed in 1939 and 1938. A bonus of 80 cents, however, usually paid from current earnings in the past few years, was paid from earned surplus on Jan. 31, 1941.

Estates, trusts and agency accounts dropped by $20.2 millions during 1940 to $744.6 millions. Guaranteed funds account decreased to $3.7 millions at Dec. 31, 1940, from $4 millions at the end of 1939.

Officers—H. R. Drummond, pres.; R. P. Jellett, vice-pres. and gen. mgr.; Ross Clarkson, asst. gen. mgr.; G. T. Bogert, supt. of branches.

Directors—Rt. Hon. A. B. Purvis, D. F. Angus, Hon. C. C. Ballantyne, Sir Edward W. Beatty, Jackson Dodds, W. A. Bog, N. J. Dawes, C. W. Dean, H. R. Drummond, Hon. C. A. Dunning, R. P. Jellett, L. J. Belnap, A. E. Holt, J. A. Eccles, Ross H. McMaster, F. E. Meredith, C. F. Sise, W. M. Stewart, Montreal; Hon. Henry Cockshutt, Brantford; Major-Gen. The Hon. S. C. Mewburn, Hamilton; Britton Osler, W. N. Tilley, Toronto; R. S. McLaughlin, Oshawa; Hon. L. A. Taschereau, Quebec; Sir Frederick Williams-Taylor, London, Eng.

Earnings Record

Year	Paid-up Capital & reserves	Net profit*	Div rate	Rate† earned per sh.
	$	$	$	$
1936	6,000,000	500,116	‡3.20	5.00
1937	6,000,000	514,122	‡3.20	5.14
1938	6,000,000	444,190	‡3.20	4.44
1939	6,000,000	454,503	‡3.20	4.55
1940	6,000,000	359,086	‡3.20	3.59

*After deducting management and all other expenses and providing for all contingencies.

‡Plus bonus of 40 cents a share paid Jan. 30, 1937; 80 cents on Jan. 31, 1938, 1939, 1940 and 1941.

†$20 par shares.

Creditors' Position

	1940	1939
	$	$
Guarant'd acct., etc.	3,709,815	4,008,276
Secured by:		
Liquid assets	3,709,815	3,566,800
Mortgages & int. .	......	441,476
Net cap. assets ...	6,966,210	7,007,123
	10,676,025	11,015,399
Estates, etc.	733,760,581	764,805,082

Sherbrooke Trust

Entering business 1874, the Sherbrooke Trust Co., Sherbrooke, Que., serves the Eastern Township areas.

Fiscal year ends Sept. 30 and as a result deposits then outstanding show more sharply than in other cases the effect of the withdrawals for subscriptions to the second war loan. Despite these abnormal withdrawals, ratio of liquid assets to demand liabilities was 60% at Dec. 30, 1940.

Earnings for the latest year were approximately $5,000 below the previous year. Contraction in earnings left earnings per share of $9.95 against $11.68 the year before, ample for dividends of $6.

Officers—Chenier Picard, pres.; D. J. Salls, vice-pres.; P. M. Robins, sec-treas.; R. Du Berger and A. W. Kerridge, asst. sec-treas.

Directors — Chenier Picard, F. S. Ruggs, F. A. Briggs, D. J. Salls, G. W. Murphy, Hon. J. Nicol, W. L. R. Stewart.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	Div. Rate	Rate earned per sh.
	$	$	$	$
1936	493,500	28,851	6	9.61
1937	508,500	34,970	6	11.65
1938	524,500	36,024	6	12.01
1939	538,000	35,044	6	11.68
1940	539,000	29,859	6	9.95

*After taxes and depreciation on premises and furniture.

Creditors' Position

	1940	1939
	$	$
Debentures	289,969	319,705
Deposits	1,448,736	1,509,640
	1,758,705	1,829,345
Secured by:		
Liquid assets	871,310	903,909
Mortgages	1,308,225	1,352,591
Other net assets	160,701	166,123
	2,340,236	2,422,623
Estates, etc.	4,104,154	4,063,267

Sterling Trust

Founded in 1911, Sterling Trust Corp., Toronto, operates a branch in Regina, Sask. All mortgage investments in guaranteed trust account are located in the Toronto area.

(Continued on page 17)

Suitable Investments Not Easy To Find

Trust and loan company shares have generally ranked high in investment lists because of the relative stability of their earnings, the conservatism of their company management. As in the case of insurance companies, investments are restricted by law.

At the present time, few of the latest annual reports of trust and loan companies have given shareholders cause to anticipate marked earnings improvement in the near future. Fewer outlets for conservative investment are tending to force company funds into the low-interest field offered by government, provincial and municipal securities. Industrial expansion, never an important outlet for mortgage funds, is no exception in the present expansion period. What outlet might have been found in this field is further restricted by government financing of industrial capital requirements.

This restriction, combined with higher taxation, has been sufficiently onerous to cause one company president to refer in the annual company statement to the possibility of winding up the company and distributing assets. This is, however, a single and extreme instance. Majority of companies have been experiencing better collections with the result that a number of investments are in better shape than in many years, despite local problems.

To the extent that this has occurred, and present trends appear likely to strengthen rather than weaken the tendency, the assets behind the shareholder's equity are improving in quality.

Trust and loan shares are in the category of a hedge against inflation. Heavy taxation is making it difficult for many industrial companies to build up the cash reserves necessary to meet possible post-war depression, while expanding wartime national income almost automatically producing the opposite effect on trust and loan company balance sheets. Main question for the investor is whether the war will last long enough for this increasing liquidity to become embarrassing.

To date, earnings have been lower, but in few cases has the reduction brought reduced dividends. In one or two examples, dividend disbursements have been increased.

From the depositor or debenture holder's point of view, the trend towards greater liquidity has improved the quality of the assets securing his investment.

Record of Trust and Loan Shares

	Mar. 31, 1941			Mar. 30, 1940			Mar. 30, 1939		
	Div. Rate	Yield	Price	Div. Rate	Yield	Price	Div. Rate	Yield	Price
	$	%	$	$	%	$	$	%	$
Canada Perm. Mtge. .	8	6.2	128	8	5.5	146½	8	5.4	147
Chartered Trust	4	4.4	90	4+1	3.9	101⅛	4+1	3.8	105
Huron & Erie	4	7.2	56	4	5.8	69	4	5.7	70
Landed Banking	4	8.9	45	4	7.9	54	4¼	7.7	65
National Trust	8	5.3	150	8	4.2	190	8	3.9	205
Ont. Loan & Deb. ...	5	4.8	105	5	4.5	110	5	4.5	110
Real Estate Loan	2	8.3	24	2	8.3	24	2	5.7	35
Toronto Gen. Trusts .	4	5.4	74	4	4.5	88	4	4.6	86
Toronto Mtge.	5	6.3	79	5½	6.5	93	6	5.7	104½

THE
GREY & BRUCE TRUST
& SAVINGS CO.
OWEN SOUND, ONT.

Authorized Capital $1,000,000
Capital Fully Paid 544,700
Reserves Exceed 200,000
Total Assets 5,594,825

C. A. FLEMING, President
O. E. MANNING, Managing-Director

Income Taxes

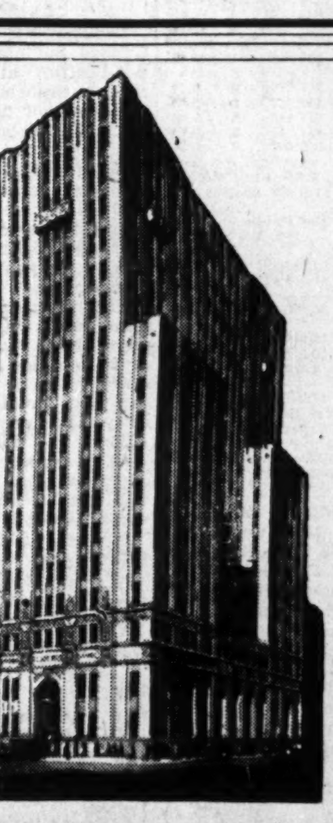
● Are you claiming all the deductions which the Law allows?

Our Income Tax Department is thoroughly experienced in the preparation of Income Tax Returns. The service is available for a moderate fee.

We prepare Returns for hundreds of others. Would it not be a relief to you to have us attend to yours?

THE ROYAL TRUST COMPANY

4103G



President
F. GORDON OSLER
First Vice-President
JOHN A. ROWLAND, K.C.
Second Vice-President
E. D. GOODERHAM

Head Offices
320 Bay St.,
Toronto

CANADA PERMANENT
MORTGAGE CORPORATION

● For over 85 years "CANADA PERMANENT" has been safeguarding the savings of Canadians, and making those savings available for Canadian construction and growth.

Through these years it has earned the confidence of investors and the corporation continues to justify the trust reposed in it, as a safe depository for savings.

THE
CANADA PERMANENT
TRUST COMPANY

● Each year since its foundation The Canada Permanent Trust Company has expanded its services.

The total of Assets entrusted to the Company for Administration now amounts to $51,930,431.48, the highest figure in the quarter century of the Company's existence.

The Company acts as: Executor . . . Trustee . . . Administrator . . . Stock Transfer Agent and Registrar . . . Attorney for Executors and Trustees. The Company also undertakes Collections . . . Investments . . . Real Estate Management . . . and safekeeping of valuables in Safety Deposit Vaults

Branches
HALIFAX • SAINT JOHN • WOODSTOCK (Ont.) • BRANTFORD
TORONTO • WINNIPEG • REGINA • EDMONTON • VANCOUVER

THE
VICTORIA TRUST AND SAVINGS COMPANY
Established 1895 - Assets $10,618,893.04
Authorized to act as:
EXECUTOR - ADMINISTRATOR - TRUSTEE
And Render a Complete Trust Service

President—
Mr. William Flavelle

General Manager—
Mr. C. E. Weeks

Directors
Mr. T. H. Stinson, K.C.
Mr. Wesley Walden
Mr. W. E. Reesor
Mr. J. B. Begg
Mr. F. G. Perrin
Mr. H. J. McLaughln, K.C.

Head Office: LINDSAY, ONT. Branch: CANNINGTON, ONT.

Mortgage Companies Strengthen Position

Better Collections Improve Standing of Loans — Liquid Assets Rise As New Outlets Dwindle

Canada Permanent Mtge.

Incorporated by Dominion Act of Parliament in 1899, Canada Permanent Mortgage Corp. has head office in Toronto, operates branches in Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Regina, Woodstock and Brantford, Ont. Chief office in Great Britain is at Edinburgh.

The company accepts deposits at interest of 2% per annum, issues debentures payable in Canadian funds at rates ranging from 3% for two years, to 3½% for five to ten-year periods. Accumulative currency debentures in fixed amounts for five-year periods are also issued on a 3½% basis, a debenture costing $84.08 is redeemed in five years at $100. Sterling debentures are also outstanding, but the amount issued is declining as a result of repatriation. A drop of approximately $1 million was experienced in 1940 approximately half of which was compensated for by a rise in Canadian-pay debentures. Savings deposits were also depleted in 1940 to the extent of over $3 millions by war loan subscriptions, approximately two thirds of which had been replaced by the year end.

Over two thirds of the company's mortgages are on urban property, the balance on farm properties. Mortgage distribution is 6.67% in British Columbia, 24.23% in the Prairie Provinces, 64.59% in Ontario and Quebec and the remainder of 4.51% in the Maritimes. Average size of farm loan is $2,168 and the average urban loan is about $3,500. The company controls the Canada Permanent Trust Co. whose estates under administration increased during the year by $2.9 millions, the increase being from a large number of moderate estates rather than from a small number of large estates.

Officers—F. Gordon Osler, pres.; J. A. Rowland, 1st vice-pres. and joint gen. mgr.; E. D. Gooderham, 2nd vice-pres.; C. S. Robertson, joint gen. mgr.; W. F. Watkins, asst. gen. mgr. and sec.; R. Henderson, asst. gen. mgr.

Directors—F. Gordon Osler, J. A. Rowland, E. D. Gooderham, F. S. Corrigan, G. H. Gooderham, C. S. Robertson, J. R. Lamb, R. L. Warren, Leighton M. McCarthy, Toronto; G. H. Aikins, Winnipeg.

Chief Agent in Great Britain—36 Castle St., Edinburgh.

Branch Offices—Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B.; Edmonton, Regina, Woodstock, Ont.; Brantford, Ont.

	1940	1939
	$	$
Total assets	67,667,041	69,279,331
Debenture stk. & int.	793,932	793,932
Sterling debs. & int.	8,922,661	9,897,142
Can. Debs. & int.	28,127,328	27,679,567
Deposits & int.	17,105,827	18,094,160

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate earned per sh.
	$	$	$	$
1936	12,000,000	680,282	8	9.72
1937	12,000,000	675,567	8	9.65
1938	12,000,000	677,440	8	9.68
1939	12,000,000	684,341	8	9.78
1940	12,000,000	689,097	8	9.84

*Before deducting reserve for real estate—$150,000, taxes, $50,000 in 1940 and written off premises $100,000 in 1939 and 1940.

Liabilities to the Public

	1940	1939
	$	$
Debents. & deb. stk.	37,843,921	38,370,641
Deposits	17,105,827	18,094,160
Total	54,949,748	56,464,801
Secured by:		
Liquid assets*	11,844,705	11,867,934
Mtges. & int.	50,654,155	52,471,513
Other net assets†	4,851,494	4,780,152
	67,350,354	69,119,599

*Including 98% of the stock of Canada Permanent Trust Co. at par of $980,000.

†Office premises and real estate held for sales less income tax reserve, sundry accounts and dividend payable.

Central Canada Loan

Incorporated in 1898, under Dominion charter, the Central Canada Loan and Savings Co. discontinued its deposits branch activities in 1933, now carries on the business of a holding and investment company. Chief stock holdings are controlling interest in Canada Life Assurance Co. and important interests in the National Trust Co.

Total assets increased over $15,000 in 1940, gains being concentrated in liquid assets and mortgages while real estate held for sale shows a decrease.

Officers and Directors—E. R. Wood, pres.; G. A. Morrow, vice-pres. and man. dir.; H. C. Cox and Leighton McCarthy, vice-pres's.; W. J. Hastie, sec.; A. H. Cox, F. P. Wood, F. McCarthy, Graham Morrow, J. L. C. McCarthy, S. H. Logan, J. M. Macdonnell, R. A. Laidlaw, J. A. McLeod, Toronto.

Earnings Record

Year	Paid-up Capital & reserves	Net profit	Div rate	Rate earned per sh.
	$	$	$	$
1936	4,600,000	211,130	8	8.45
1937	4,600,000	211,387	8	8.46
1938	4,600,000	211,164	8	8.45
1939	4,600,000	213,439	8	8.54
1940	4,600,000	203,944	8	8.16

Assets

	1940	1939
	$	$
Liquid assets	4,645,661	4,624,659
Mortgages & int.	96,679	77,431
Other net assets	57,448	93,754

Credit Foncier

Credit Foncier Franco-Canadien loans funds on first mortgages. Assets are entirely in Canada, although majority of shareholders were in France. On May 19, annual meeting will be held in Montreal. Head office of the company is in Montreal, but meetings have formerly been held in Paris. Branches are maintained in Quebec, Winnipeg, Regina, Edmonton and Vancouver.

It will be impossible for the company to pay dividends on capital stock to shareholders domiciled in occupied France. In the past dividends have been paid June 1, applicable to the previous year's earnings. There were 145 francs paid on 1939 earnings, compared with 135 francs for 1938. Outstanding are 100,000 shares of 500-franc par value.

Officers—Count C. d'Anvers, pres.; Beaudry Leman, vice-pres.; Vicomte de Roumefort, gen. mgr.; M. M. Pasquin, asst. gen. mgr.; Armand Chevalier, asst. gen. mgr. and gen. sec.

Directors — Count C. d'Anvers, Paris, France; Beaudry Leman, Hon. C. P. Beaubien, Vicomte de Roumefort, P. Amos, Montreal; M. Chevalier, E. Fouret, H. Jahan, Baron de la Louguiniere, R. Masson, M. Stern, Paris, France.

Shareholders' Position

	1939	1938
	$	$
Net profit	426,026	401,619
P. & L. surplus	295,198	299,127
Com. divds. paid	145 fr.	135 fr.

Creditors' Position

	1939	1938
	$	$
Debentures	15,969,484	16,439,310
Secured by:		
Liquid assets	4,477,949	4,774,120
Mortgages	27,622,707	28,626,353
Other net assets	5,350,803	4,945,408
	37,451,459	38,345,881

Debenture Co. of Canada

The Debenture Company of Canada, Regina, Sask., was organized in 1917. Funds are invested principally in tax sale properties, certificates and agreements for sale. The company has no public liabilities.

Reports for the financial year ended Nov. 30, 1940, are not yet in. In 1939 further improvement in profits was shown, and the company paid a dividend of $2 per share on fully paid stock, proportionately on partly paid in Jan., 1940. This was the first dividend since Jan., 1938, prior to which no dividends had been distributed since 1931.

Officers and Directors—A. B. McGill, pres. and man. dir.; G. A. Maybee, vice-pres.; M. H. Tilson, sec.; J. C. Poyser, A. J. Orchard, M. J. Wyatt.

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate† earned per sh.
	$	$	$	$
1935	611,356	162	..	..
1936	535,152	27	..	..
1937	535,270	86	..	..
1938	535,281	11,338	†2	2.4
1939	536,840	11,551	▴2	2.4

*Less income tax. †Paid Jan. 3, 1939. ▴Paid Jan. 2, 1940.

Capital Account, Net Assets

	1939	1938
	$	$
Liquid assets	152,984	119,175
Tax sale certificates	37,953	55,393
Other net assets	362,420	376,801

Latest figures available.

Eastern Savings

Incorporated in 1887, Eastern Canada Savings and Loan Co. has head office at Halifax, does not operate branches.

Interest of 2½% is paid on deposits, and debentures are issued at a discount. Interest thus takes the form of capital appreciation on the amount invested and is at the rate of 3½% per annum on one to two-year debentures, 3¾% on three and four-year debentures and 4% on five to ten-year debentures.

Debentures and deposits showed increases in 1940. Earnings were somewhat lower than in 1939, but were above dividend requirements of 6% on the regular rate plus $1 extra which is paid in the following year. Total assets of the company have grown from $72,580 in 1888 to $4.8 millions at the end of 1940. A conservative policy in making new loans has been followed, the total at the end of 1940 was some $98,000 lower than the previous year at $4,089,000.

Officers—Hon. W. H. Covert, pres.; D. R. Turnbull, vice-pres.; J. A. Clark, Mgr.; G. W. Hazen, asst. mgr.

Directors—Hon. W. H. Covert, D. R. Turnbull, J. A. Clark, W. C. Nickerson, C. A. B. Bullock.

Earnings Record

Year	Paid-up Capital & Reserves	†Net Profit	Div. Rate	Rate Earned per sh.
	$	$	$	$
1936	1,058,000	62,042	6+1*	8.27
1937	1,068,000	62,988	6+1*	8.40
1938	1,150,000	65,225	6+1*	8.70
1939	1,160,000	56,222	6+1*	7.50
1940	1,165,000	53,647	6+1*	7.15

*Special dividend of $1 paid in following year.

†After all charges including taxes and depreciation but before transfers to reserve fund.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures	2,884,869	2,877,671
Deposits	724,072	656,552
	3,608,941	3,534,223
Secured by:		
Liquid assets	578,905	342,199
Mortgages	4,089,058	4,187,238
Other net assets	106,371	169,031
	4,774,334	4,698,468

Guelph & Ontario

Guelph and Ontario Investment & Savings Society was incorporated in 1876. It does not operate any branches outside of its head office at Guelph, Ont. Deposits are accepted with interest at 2% per annum, and debentures issued paying 3¼% on three-year terms and 3½% on five years. Investments consist mainly of first mortgages, the majority of which are in Ontario, government bonds and the capital stock of its subsidiary, Guelph Trust Co.

The 65th annual report for 1940 showed a drop of approximately $5,000 in guaranteed liabilities, but liquid assets securing guaranteed liabilities rose some $42,000, while mortgages dropped about $52,000. Operating earnings for 1940 were practically unchanged from 1939, but reserve for taxes had to be increased by approximately $9,000. Despite this increase the company was able to earn 8.08% on capital stock as compared with dividends of 6%, a rate which has been in effect since 1933.

Officers—J. R. Howitt, pres.; J. J. Shaw, 1st vice-pres.; J. R. Phin, 2nd vice-pres.; J. M. Purcell, man. dir.

Directors—J. R. Howitt, J. R. Phin, J. J. Shaw, J. M. Purcell, Dr. H. O. Howitt, J. Armstrong, G. A. Forbes, R. F. Auld.

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate† earned per sh.
	$	$	$	$
1936	1,484,515	73,102	3	3.78
1937	1,484,515	77,216	3	4.00
1938	1,484,635	78,456	3	4.06
1939	1,484,635	80,611	3	4.18
1940	1,484,635	78,051	3	4.04

†Par value of stock $50.

*After all charges, including taxes.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures	2,451,702	2,474,457
Deposits	1,241,475	1,223,828
	3,693,177	3,698,285
Secured by:		
Liquid assets	873,773	831,426
Mortgages & int.	3,869,773	3,921,372
Other net assets	465,028	460,744
	5,208,574	5,213,542

Empire Loan

Assets of the Empire Loan Co., Winnipeg, Man., are principally invested in mortgages, agreements for sale, city apartment blocks and other real estate. Liabilities consist of mortgages and a small total of debentures outstanding. Balance of $25,104 outstanding at the end of 1939 has been reduced to $20,083 and the date of maturity extended from June 1, 1940, to June 1, 1942. Operations have been carried on at a loss in the past two years. Accumulated deficits now amount to $82,276.

Officers—C. M. Simpson, pres. and mgr.; J. Douglas, vice-pres.; R. W. Rutherford, sec.-treas.

Directors—C. M. Simpson, J. Douglas, S. F. W. Sparling, T. R. Slagsvol, R. W. Rutherford.

Shareholders' Position

	1940	1939
	$	$
Net profit†	▴717	▴778
Total deficit	82,276	81,170

Creditors' Position

	1940	1939
Mortgages	165,114	162,392
Debentures	20,083	25,104
	185,197	187,496
Secured by:		
Liquid assets	6,993	6,736
Mtges. & prop.	737,129	741,893

▴Loss.

Home Investment

The Home Investment and Savings Association, Winnipeg, carries on business in the three Prairie Provinces. The majority of its investments are in urban properties.

Liquid assets were more than double the total liabilities to the public at the end of 1940. Collections in the year showed an improvement over 1939 in both urban and farm accounts. Reduction in mortgage accounts and lower interest on other investments resulted in a drop in earnings for the year, largely offset by reduced operating expenses.

The company accepts savings deposits with interest of 2%. Certificates of deposits are issued at 2½% per annum and debentures at rates of 3%, 3¼% and 3½%. No dividends are at present being paid.

Officers—M. F. Christie, pres.; J. A. Flanders, vice-pres.; W. E. Hobson, man. dir.; P. M. Bull, asst. mgr.; W. E. Nicholls, sec.

Directors — M. F. Christie, R. J. Gourley, A. S. Bond, E. H. Bennest, J. A. Flanders, W. E. Hobson, J. E. Woods, all of Winnipeg.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	Rate earned per sh.
	$	$	%	%
1936	1,346,400	12,762	..	1.28
1937	1,246,400	4,459	..	0.45
1938	1,196,400	5,094	..	0.51
1939	1,196,400	12,311	..	1.29
1940	1,196,400	10,523	..	1.06

*After provision for taxes.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures & int.	73,773	98,754
Deposits	186,027	206,344
	259,800	305,098
Secured by:		
Liquid assets	646,614	565,604
Mtges., agmts. & int.	503,779	545,203
Other net assets‡	314,982	411,861
	1,465,375	1,522,668

‡Other assets, less current liabilities.

Industrial Mortgage

Industrial Mortgage and Trust Co., Sarnia, Ont., was established in 1889 and operates branch offices at Petrolia, and Forest. Mortgage investments cover properties in the City of Sarnia and counties of Lambton, Middlesex, Huron and Perth with a small percentage of loans in Saskatchewan and Alberta.

An increase in liquid assets behind guaranteed account liabilities was shown in the 1940 balance sheet. Guaranteed liabilities showed a decline of nearly $100,000, but liquid assets in guaranteed trust accounts increased approximately $227,000. Real estate held for sale also was liquidated during the year, total dropping from $176,647 in 1939 to $119,800 at the end of 1940.

Net profits after all charges were reduced approximately $1,100 in 1940. Dividends of $2 per share continued, covered by earnings of $2.09 per share in 1940 against $2.42 in 1939.

The company pays interst of 2½% on deposits while rates paid on guaranteed investment certificates range from 3¼% on one to two-year certificates to 3¾% on five-year certificates.

Officers—J. Cowan, pres.; J. H. Anderson, 1st vice-pres.; W. J. Skinner, 2nd vice-pres.; W. R. Paul, man. dir.; B. Charlton, asst. mgr.

Directors—J. Cowan, Mr. McGugan, J. H. Anderson, W. J. Skinner, W. R. Paul, A. R. McKay, H. Lockhart, C. Hardy.

Branch Offices—Forest, Ont. Petrolia, Ont.

Earnings Record

Year	Paid-up capital & reserves	Net profit	Div. rate	Earned per $50 sh
	$	$	$	$
1936	970,000	32,052	2.50	2.52
1937	970,000	26,940	2.00	2.12
1938	970,000	28,538	2.00	2.25
1939	970,000	30,753	2.00	2.42
1940	970,000	26,517	2.00	2.09

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Guar. invest. certifs.	2,452,255	2,512,310
Deposits	1,197,720	1,232,660
	3,649,975	3,744,970
Secured by:		
Liquid assets	1,727,736	1,500,881
Mtges. & int.	1,922,239	1,975,589
Other net assets	1,000,298	1,317,681
	4,650,273	4,794,151
Estates, etc.	1,061,663	991,148

Hudson Bay Mortgage

Hudson Bay Mortgage Co., Vancouver, B.C., was incorporated in British Columbia in 1926 to take over the Hudson Bay Mortgage Corp. originally incorporated in 1911. Investments are in first mortgages and properties all within British Columbia in Vancouver and adjacent municipalities.

Assets totalled $89,903 at the end of 1940, compared with $84,127 end of 1939. Reserves for losses on properties offered for sale at less than book value amounted to $6,443 compared with $6,706 a year earlier.

Money available for loans in the Greater Vancouver district is reported to exceed demand, and it is difficult to place suitable loans to offset the discharge of mortgages being paid off before maturity. There is also reported to be a good demand for real estate but at very low figures, generally from 50% to 75% of assessed values.

Officers and Directors—T. S. Annandale, pres.; R. Dowswell, vice-pres.; S. B. Smith, sec.-treas.; C. G. Smith, P. D. Bannerman.

Shareholders Position As at Dec. 31

	1940	1939
	$	$
Net profit	656	1,141
Deficit forward	14,438	14,923
Reserve	6,443	6,746

Preferred dividends are in arrears since June 30, 1934.

Huron & Erie

Incorporated in 1864, the Huron and Erie Mortgage Corp. is one of the oldest and largest lending institutions in the Dominion. With head office at London, Ont., the company operates four branches in that city and in Toronto, Hamilton, St. Thomas, Windsor, Chatham, Winnipeg, Regina, Edmonton, Victoria and Vancouver.

The company accepts deposit accounts at 2% interest, and issues debentures for periods of from one to ten years at interest of 3% to 3½% depending on the term of the debenture. Its subsidiary, Canada Trust Co., handles estates business.

Net earnings for 1940 were lower than in 1939, largely as a result of the rise in taxes from $31,470 in 1939 to $50,306 in 1940. A drop of $800,000 is shown in liabilities to the public, attributable largely to the repatriation of sterling debentures which were reduced approximately $300,000 to $1.6 million at the end of 1940. Dividends of $4 a share continue to be amply covered in 1940 by earnings of $5.11.

Collections of interest and principal due on mortgage loans held at approximately the same volume as in 1939, although a noticeable improvement took place during the last three months of the year. Although no additions were made to internal reserves during 1940 these now are stated to be in excess of $2 millions.

Officers—T. G. Meredith, chm. and pres.; Col. Ibbotson Leonard, vice-pres.; Morley Aylesworth, gen. mgr.; D. McEachren, sec.; C. J. Clarke, treas.; R. P. Baker, invest. exec.

Directors—T. G. Meredith, chm.; Morley Aylesworth, Lt.-Col. Claude Brown, Col. Ibbotson Leonard, R. H. Cronyn, J. E. McConnell, London, Ont.; J. W. Hobbs, Toronto, Ont.; E. A. Wilson, Ingersoll.

Branch Offices — London, Ont. (4); Toronto, Hamilton, St. Thomas, Windsor, Chatham, Winnipeg, Regina, Edmonton, Victoria and Vancouver.

Earnings Record

Year	Paid-up Capital & reserves	*Net profit	Div. rate	*Rate earned per sh.
	$	$	$	$
1936	6,500,000	304,553	5	6.09
1937	6,500,000	236,990	4½	4.74
1938	6,500,000	304,254	4	6.09
1939	6,500,000	256,700	4	5.13
1940	6,500,000	255,460	4	5.11

*After all charges and taxes, but before allotting $100,000 to internal reserves in 1936 and 1938, $50,000 in 1939.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures	26,235,444	27,011,898
Deposits	9,960,569	10,001,259
Interest	267,203	275,896
	36,463,216	37,289,053
Secured by:		
Liquid assets	5,887,037	6,104,305
Mtges., etc. & int.	32,159,664	32,509,191
Other net assets†	5,070,474	5,341,305
	43,117,175	43,954,801

†Including stock of Canada Trust Co. carried at $1,556,680; unrealized assets of the People's Loan and Savings Corp. carried at $795,251 in 1940, $857,567 in 1939.

International Loan

International Loan Co., Winnipeg, again experienced improved collections in 1940. New problem in collection was created by the quota system, but company assets reached the highest level in its history. Dividend of 1½% was paid in February, 1941, a like disbursement having been made in February, 1940. The 1940 dividend was the first in six years.

The company does not accept deposits, issue debentures or guaranteed investment certificates in any form. Operations are conducted entirely with its own funds, and mortgage investments are for the most part in the Prairie Provinces.

Officers—H. F. M. Ross, pres.; A. Wishart, vice-pres.; G. W. Argue, man. dir.; C. Dick, sec-treas.

Directors—G. W. Argue, H. F. M. Ross, J. Hall, J. G. Schill, B. M. Gunn, A. Wishart, J. E. Burns, W. J. Wade, C. Dick, P. H. T. Thorlakson.

Summary of Position As at Dec. 31

	1940	1939
	$	$
Net profit from oper.	22,424	23,906
Surplus forward	64,845	59,988
Mortgages, etc.	1,018,817	1,008,166
Real estate	66,050	64,601
Cash	18,194	28,770
Total assets	1,102,061	1,101,537

La Compagnie Foncière

La Compagnie Foncière de Manitoba Limitée, Winnipeg, again reported a net loss in 1940 after charging depreciation, taxes, etc. Accumulated deficit was increased by writing off of $1,365 of French Government bonds. The company reports that the rental situation is encouraging, with no vacancies and some demand for the purchase of low price houses. Revenue from farms was not large in 1940 owing to lower grain prices.

The company pays 4½% on debentures, and is not paying dividends on stock, and does not operate any branches.

Officers & Directors—M. J. A. M. de la Giclais, pres.; T. Turnbull, vice-pres.; A. Griveau, sec.-treas.; J. E. Quertin, G. H. Griffin, Henri Motte, B. E. Chaffrey, E. Chevrier.

Shareholders' Position

	1940	1939
	$	$
Net loss	2,935	5,777
Profit & loss def.	15,222	7,455

Creditors' Position

	1940	1939
Debentures	38,911	39,111
Deposits	1,179	2,033
	40,090	41,144
Secured by:		
Liquid assets	2,754	1,800
Mortgages, etc.	647,833	660,547

Lambton Loan

Established in 1844, the Lambton Loan and Investment Co. is the oldest mortgage company in Canada. The company controls the Lambton Trust Co. Ltd. There are no branches outside of the head office in Sarnia.

In 1940 Lambton Loan and Investment Co. experienced substantial improvement in collections both principal and interest, total collections increasing 18%, the best in 10 years. Improvement came in spite of farming conditions which were not particularly good in the district. Moderate increase in enquiries for farm mortgages is reported.

The company accepts deposits, paying 2½% interest, and issues debentures at rates from 3¼% to 3¾% depending on term. Accumulative bonds are issued on a 4% interest basis.

Earnings have risen steadily from $2.64 in 1937 to $3.19 in 1940. Dividend rate has been $2 per share since 1934.

Officers—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.; S. A. Hyde, act. sec.

Directors—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, W. H. Kenny, all of Sarnia; A. G. Minielly, Watford, B. W. Fansher, Florence; H. Fraleigh, Forest.

Earnings Record

Year	Paid-up capital & reserves	Net profit	Div. rate	*Rate earned per sh.
	$	$	$	$
1936	1,489,750	44,287	2	2.80
1937	1,489,750	41,629	2	2.64
1938	1,489,750	42,312	2	2.68
1939	1,489,750	44,149	2	2.80
1940	1,489,750	50,349	2	3.19

*Based on 15,795 shares of $50 par value.

Liabilities to the Public

	1940	1939
	$	$
Debentures & int.	1,622,724	1,644,621
Deposits	1,005,921	1,051,292
Total	2,628,645	2,695,913
Secured by:		
Liquid assets	827,906	788,921
Mortgages & int.	2,748,409	2,847,385
Other net assets†	599,936	613,454
Total	4,176,251	4,249,760

†Including Lambton Trust Co. stock carried at $255,000.

Landed Banking

Landed Banking & Loan Company has head office at Hamilton and operates a branch in Winnipeg. Mortgage investments are principally in the Hamilton district, with some in western Canada. The company accepts deposits on which 2% is paid and issues debentures ranging in rate from 3 to 3½%, depending on term. Dividends are paid at $4 per share, a rate established in 1939.

Earnings in 1940 showed improvement. Per share earnings have risen steadily in the past six years from $5.09 in 1935 to $5.70 in 1940.

Officers—Major W. D. Wilson, pres.; A. V. Young, vice-pres.; H. M. Patterson, mgr.

Directors—W. S. Burrill, A. V. Young, J. M. Pigott, J. P. Bell, H. M. Patterson, Major W. D. Wilson, all of Hamilton.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	Rate earned per sh.
	$	$	$	$
1936	1,850,000	50,552	5	5.05
1937	1,850,000	55,003	5	5.50
1938	1,850,000	56,342	5	5.63
1939	1,600,000	56,590	4	5.66
1940	1,600,000	57,014	4	5.70

*After all charges and taxes, but before transfers to investment reserves.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures & int.	526,148	567,230
Deposits	873,998	960,445
	1,400,146	1,527,675
Secured by:		
Liquid assets	574,364	661,437
Mtges., agmts. & int.	2,213,879	2,256,223
Other net assets*	278,981	274,814
	3,067,224	3,192,474

*Other assets less current liabilities; investment reserve of $41,197 not deducted.

Midland Loan

Midland Loan & Savings Co., Port Hope, was established 1872. Mortgage investments are entirely within Ontario, where business is conducted on a cash basis, no credit being taken for interest on mortgages and other investments unless actually paid. Savings deposits are accepted with interest at 2%, and debentures issued ranging in interest rate from 3 to 3½, according to terms

Earnings in 1940 were somewhat lower owing to the increase in tax reserves to $32,814 as compared with $20,939 in 1939. In 1940 the amount reserved for taxes exceeded the net profit available for distribution to shareholders.

Officers—S. R. Caldwell, pres.; F. Rosevear, vice-pres.; W. J. Helm, mgr.

Directors—The above and J. M. Rosevear, C. G. Mercer.

Earnings Record

Year	Paid-up Capital & reserves	Net profit*	Div. rate	Rate earned per sh.
	$	$	%	%
1936	840,000	31,478	8	8.74
1937	840,000	31,768	8	8.82
1938	840,000	33,385	8	9.27
1939	840,000	34,891	8	9.69
1940	840,000	29,513	8	8.20

*After deduction of investment reserve of $20,000 in 1940; $30,000 in other years.

Liabilities to the Public

	1940	1939
	$	$
Debentures	1,821,136	1,871,490
Deposits	383,178	385,941
	2,204,314	2,257,431
Secured by:		
Liquid assets	632,094	594,434
Mtges. & int.	2,502,909	2,574,467
Less: Excess liab.†	46,218	27,711
	3,088,785	3,141,190

†Excess of certain current liabilities over other net assets.

Mtge. Corp. of N. S.

The Mortgage Corp. of Nova Scotia, Halifax, does not operate branches outside the head office. All loans on real estate are within Nova Scotia. The company accepts deposits at interest of 2½% per annum and issues debentures at 3½% for periods of one and two years to 4% for periods of 5 to 12 years. Dividends are currently being paid at the rate of 5%.

In 1940 the corporation increased its mortgages and sale agreements by nearly $36,000. Operating earnings were some $1,500 below the previous year and income taxes payable rose to $19,175, an increase of $7,500 in the year. The president informed shareholders the company's stock has a book value of $150 per share. Business in Halifax increased during the year and has more than doubled in the past 10 years.

Officers—A. H. Whitman, pres.; N. C. Mitchell, vice-pres.; C. R. Chipman, Man. dir.

Directors—A. H. Whitman, N. C. Mitchell, J. R. Corston, C. R. Chipman, M. L. Boswell.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	†Rate earned per sh.
	$	$	$	$
1936	1,020,000	55,579	7	8.17
1937	1,020,000	52,025	7	7.65
1938	1,020,000	50,129	6¾	7.37
1939	1,020,000	46,551	6	6.85
1940	1,020,000	38,264	6	5.60

*After management expenses, taxes and interest, and in 1937 and subsequent years, after depreciation of office building, but before provision for possible losses on real estate.

†Based on paid-up capital of $600,000, plus amount paid on $400,000 of 20% paid-up capital, or a total of $680,000.

Liabilities to Public As at Dec. 31

	1940	1939
	$	$
Debentures & int.	406,807	422,356
Deposits	44,381	51,815
	451,188	474,171
Secured by:		
Liquid assets	26,945	60,424
Mtges., agmts. & int.	1,423,145	1,387,357
Other net assets‡	23,098	44,313
	1,473,188	1,492,094

‡Other assets, excluding $320,000 of uncalled subscribed capital stock, less current liabilities.

Montreal Loan

Mortgage Loan & Mortgage Co. was incorporated in 1858 as the Montreal Permanent Building Society and assumed its present name in 1875.

With head office in Montreal it loans funds on first mortgage securities. Liabilities to the public have been constantly decreasing until at Dec. 31, 1940, deposits and debentures totalled $54,700.

Net profit declined in 1940 to $45,331 from $49,593 in the preceding year. This was equivalent to earnings on the common stock of $1.89 and $2.07 in the previous year. Dividends of $1.43¾ were paid in 1940, compared with $2 in 1939.

Officers—W. E. Bolton, pres.; E. G. Hampson, vice-pres.; R. A. Kydd, man. dir.; G. A. McColl, asst. mgr.

Directors—W. E. Bolton, H. Raine, W. B. Blackader, E. G. Hampson, R. A. Kydd, W. C. Finley, all of Montreal.

Earnings Record

Year	Paid-up capital & reserves	Net profit	Div. rate	Rate earned per sh.
	$	$	$	$
1936	1,450,000	49,952	2.00	2.08
1937	1,450,000	49,402	2.00	2.06
1938	1,450,000	50,876	2.00	2.12
1939	1,450,000	49,593	2.00	2.06
1940	1,450,000	45,331	1.43¾	1.89

Creditors' Position

	1940	1939
	$	$
Debentures	54,200	129,367
Deposits	500	4,250
	54,700	133,617
Secured by:		
Cash	65,788	24,023
Mortgages (net)	1,170,637	1,225,849
Other net assets	277,839	342,478
	1,514,264	1,592,350

Niagara Falls Loan

Niagara Falls Loan & Savings Co. succeeded the Niagara Falls Building, Savings & Loan Association of 1936.

The company has been paying dividends at 2%, an amount in excess of actual earnings. In 1940 the company earned 1.99% on its capital stock compared with 0.72% in 1939.

Officers—U. H. Bowen, pres.; J. B. Mears, vice-pres.; J. W. Butters, mgr. and sec.

Directors — U. H. Bowen, J. H. Denton, G. Emery, J. B. Mears, S. Packer, H. C. Pattinson.

Income and Surplus Account Years Ended Dec. 31

	1940	1939
	$	$
Net earnings	47,643	33,432
Less: Deb. int.	6,857	8,368
Res. for real est.	12,777	14,312
Res. for mtges.	4,078	4,213
Income taxes	8,470	997
Net profit	15,461	5,541
Less: Dividends	15,479	15,479
Deficit for year	18	9,938
Less: Previous surplus	9,600	17,599
Prof. deb. redempt.	50	......
Reorg. exp. tsf.	......	1,688
Sundry	......	252
Surplus forward	9,632	9,601
Earned per Share:*		
Earned	1.99%	0.72%
Paid	2.00%	2.00%

*Based on paid-up capital of $773,970 in fully paid shares of $10 par value.

Year	Total Assets	Reserve Funds	Mortgages and Real Est. Loans
	$	$	$
1936	1,195,050	78,232	1,074,545
1937	1,187,030	103,232	1,052,829
1938	1,149,519	108,233	1,032,197
1939	1,100,931	108,233	990,336
1940	1,068,656	108,233	894,940

Northern Canadian

Northern Canadian Mortgage Co., Winnipeg, operates a loan business in the western provinces and carries on agency business through a wholly owned subsidiary, Northern Canadian Agencies Ltd.

Net profits of $3,303 for the year ended March 31, 1940, is the highest since 1935 and is up 20% over the previous year. Bank loan was reduced $5,000 to $20,000, while cash increased from $93 to $4,026.

The 6% preferred stock of $25 par value was in arrears $13.50 at the beginning of 1941, no payments having been made since Jan. 15, 1932.

Officers—G. W. Northwood, pres.; T. L. Hartley, vice-pres.; J. H. Peace, sec.

Directors—G. W. Northwood, W. T. Gwyn, A. L. Denison, T. L. Hartley, all of Winnipeg.

Income and Surplus Account Years Ended March 31

	1940	1939
	$	$
Receipts:		
Mtge. & agree. int.	7,042	12,881
Disc. earned, etc.	380	234
Rents received (net)	22,591	63,215
Divds. on invests.	1,047	1,175
Other income	111	6,217
	31,171	83,722
Less expenses:		
Management	3,742	9,711
Legal fees	223	176
Taxes on real est.	....	17,263
Int. on mtges., etc.	....	30,961
Bank interest	1,046	1,046
Depr. on bldgs.	22,857	21,847
Net profit	3,303	2,718
Add: Prev. surplus	16,985	13,941
Bad debts recov.	215	249
Insur. prem. rebate	....	101
Prof. fr. sale secs.	2,094	....
Less: Bad debts w/o	260	24
Earned surp. fwd.	†22,337	†16,985

†Subject to corporation tax.

Earned per Share:		
Preferred	0.25	0.21

None paid.

Northern Mortgage

Northern Mortgage Co. of Canada, Winnipeg, is in process of liquidation. A total of $2 per share was distributed as return of capital in 1940; 50c. was paid in 1939; and another 50c. was paid on Feb. 1, 1941. Giving effect to this last payment, a total of $41 has been repaid on capital account and the balance payable is $9 per share, of which $5 is fixed and $4 is subject to later repayment of capital.

The company reports greater activity in property account than in

(Continued on page 1[illegible])

REAL ESTATE LOAN CO.

OF CANADA LIMITED

521 Confederation Life Bldg., Toronto 2, Ont.

Capital Paid-up ... $500,000
Reserve 215,000

Loans on Improved Real Estate at Current Rates

M. A. Mackenzie, *President*
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Buy War Savings Certificates and War Savings Stamps

Skill, experience and prompt service.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company

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Charles G. Cowan, *Vice-Pres. & Man. Dir.*
G. Harold Burland, *Sec.-Treas.*

HEAD OFFICE: OTTAWA
262 Wellington Street

511 Place d'Armes, MONTREAL
1110 Montreal Trust Bldg., TORONTO

British Canadian Trust Company

Incorporated by Special Ordinance of the Northwest Territories of Canada (1901 Chapter 35) to Act as
Executor, Administrator, Trustee, Guardian, Authorized Trustee in Bankruptcy, Mortgage Loans, Rental Agents

INSURANCE

Fire, Plate Glass, Automobile, Hail, Liability, Burglary, Guarantee Bonds

MANAGERS: BRITISH CANADIAN FINANCE, LIMITED
H. D. ROOD, Manager and Secretary

LETHBRIDGE - ALBERTA   Office - 315—6th St. S.

OUR SERVICES

- Administration
- Administration of real estate
- Transfer agents
- Financial Boards—Various agencies
- Collection of dividends, interests, etc.
- Estate Executors
- Fiduciary
- Keeping of stocks, shares, securities, etc.
- Settlements and bankruptcies
- Warrants and Power of Attorney
- Preparation of Income Tax report
- Settlement of estates
- Guardianship

BOARD OF DIRECTORS

President—VICTOR MORIN
1st Vice-president—GUY VANIER, K.C.
2nd Vice-president—J.-V. DESAULNIERS, B.A.

DIRECTORS

C. LAURENDEAU, K.C.
HECTOR CYPIHOT
J.-ERNEST LAFORCE
V.-E. BEAUPRE, A.A.S.
A. LACHAPELLE, K.C.
ATHANASE FRECHETTE

General Manager—J.-V. DESAULNIERS, B.A.
Assistant General Manager—HENRI OUIMET

SOCIETE NATIONALE DE FIDUCIE

41 St. James St. W., MONTREAL   Telephone HArbour 3291

ADMINISTRATION and TRUST COMPANY

(Société d'Administration et de Fiducie)
Established in 1902

EXECUTORS and TRUSTEES

Hon. E. L. PATENAUDE, *President*
J. THEO. LECLERC, *Vice-President and Managing Director*

Head Office: MONTREAL
5 St. James St. East

BRANCHES:
Quebec - Winnipeg - Regina - Edmonton - Vancouver

Increase Interest Earnings
to help offset higher cost of living

Our Trustee Debentures pay

3½%

per annum for 3 years
3¼% for 2 years
3% for 1 year

Safe and convenient. Legal for trust funds.

The Huron & Erie MORTGAGE CORPORATION

Branch Offices

London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton, Vancouver, Victoria.

Survey Mortgage Companies Position

(Continued from page 16)

some years past. No additional properties were acquired, but sales aggregating $75,000 were made, the greater part of which were all cash. Book losses on such sales were $13,000, charged to reserve. Cash realization on mortgages was comparatively small.

Officers—R. T. Riley, pres.; N. J. Breen and P. C. Shepherd, vice-pres.; J. H. Riley, mgr.; C. R. Vincent, sec.

Directors—R. T. Riley, N. J. Breen, P. C. Shepherd, J. A. Crowe, D. K. Elliott, J. H. Riley, W. H. Malkin, C. S. Riley, J. H. Turnbull, A. L. Denison.

Earnings Record

	Paid-up Capital	Net Profit*	Div. Rate	Earned per sh.
	$	$	%	%
1936	150,000	*3,004	..	...
1937	150,000	*951	..	...
1938	150,000	474	..	0.31
1940	150,000	2,073	..	0.70

*Loss.

	Total Assets	Reserve Funds	Mortgage Loans
	$	$	$
1934	179,988	267,983	242,197
1936	574,113	159,269	261,502
1937	512,569	112,223	237,951
1938	464,939	79,453	219,033
1940	317,672	24,884	169,788

1939 figures not available.

North of Scotland

Head office of the North of Scotland Canadian Mortgage & General Investment Trust Ltd. is in Aberdeen, Scotland, and Canadian head office is Winnipeg. For the year ended Feb. 15, 1940, the company made the best showing of nine years. Investments are chiefly in western Canadian mortgages.

Net profits of £37.875 compares with substantial losses in seven of the previous eight years. Loss was £19,411 in the year ended Feb. 15, 1939.

As a result of the large crop of good quality wheat in the Prairie Provinces in 1939, collections of principal and interest were reported satisfactory. Mortgages, real estate and overdue interest were shown in the 1940 balance sheet at £1.6 millions, down £27,000 from the previous year.

Officers — J. Mearns, chm.; Osler Hammond & Nanton, gen. mgrs. in Canada; W. Johnston, sec., Scotland.

Directors—Rt. Hon. Earl of Caithness, J. Mearns, H. J. Kinghorn, G. Robb, Aberdeen; directors appointed by debenture stockholders: A. T. Cruickshank, R. P. Masson, Aberdeen.

Earnings Record

Year ended Feb. 15	Paid-up Capital	Net Profit	Rate Earned per sh.
	£	£	%
1936	613,673	*8,002	...
1937	614,043	7,856	1.28
1938	614,059	*29,069	...
1939	613,589	*19,411	...
1940	613,589	†27,875	4.54

*Loss. †Before directors' fees.

	Total Assets	Reserve Funds	Mortgage Loans
1936	1,731,784	228,056	1,567,125
1937	1,706,385	219,831	1,533,844
1938	1,653,160	198,362	1,619,618
1939	1,636,478	174,858	1,612,648
1940	1,661,392	174,858	1,585,257

Nova Scotia Savings

Established in 1850, Nova Scotia Savings Loan & Building Society has head office at Halifax, does not operate branches but has representatives throughout Nova Scotia and New Brunswick. Interest at 3% is paid on deposits and at 3½% on debentures of one- to three-year term, 4% for periods of four to ten years.

Assets increased over $222,000 in the latest fiscal year ended Jan. 31, 1941, and now stand at the highest figure in the company's history. Increase is shown mainly in mortgages held, now in excess of $4 millions, while real estate held for sale has continued to decline, now appearing at $9,114 against $23,569 a year earlier.

Officers—A. B. Wilwell, pres.; J. F. Fraser, vice-pres.; F. A. Lane, sec.-treas.

Directors — A. B. Wiswell, J. F. Fraser, W. Mitchell, W. de W. Barss, D. McInnes.

Creditors' Position
As at Jan. 31

	1941	1940
	$	$
Debentures	2,056,199	1,835,333
Deposits	441,474	328,914
	2,497,673	2,164,247
Secured by:		
Liquid assets	253,447	238,831
Mtges., etc.	4,024,364	3,799,326
*Other net assets	20,311	47,323
	4,298,122	4,085,480

*Other assets less reserve for income tax.

Ontario Loan

Ontario Loan & Debenture Co. was incorporated in 1870 and has head office at London, Ont. Mortgages investments are nearly $12 millions, of which 81.83% are on Ontario properties.

The company pays 2½% interest on savings deposits and on debentures 3¼% for three- and four-year terms and 3½% for five-year terms. No branches are operated.

Debentures payable in sterling declined by $44,533 during 1940, while deposits showed a drop of $102,771 as a result of withdrawals to invest in war loans. These declines were more than compensated by an increase of some $501,000 in debentures payable in Canadian funds. Mortgages and liquid assets each increased, liquid assets showing the greater proportional increase. More active demand for improved urban properties brought a reduction of $177,000 in the total of real estate held for sale.

Officers—Archibald McPherson, pres.; T. H. Main, vice-pres. & mgr.; J. P. Dewan, asst. mgr.; F. E. A. McKellar, accountant.

Directors—Archibald McPherson, J. B. Orr, T. H. Main, J. McClary Gunn, Q. R. Moore, E. E. Reid, all of London, Ont.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	Div. Paid	Earned per $50 sh.
	$	$	$	$
1936	4,400,000	232,266	5¾	5.81
1937	4,400,000	241,121	5	6.03
1938	4,400,000	245,757	5	6.14
1939	4,400,000	252,984	5	6.32
1940	4,400,000	215,263	5	5.38

*After income taxes but before writing $10,000 off premises in 1937; transfer of $10,000 to investment reserve in 1940; $45,000 in 1939 and 1938 and $30,000 in 1937; $5,000 to employee benefit fund in 1940 and $7,500 in 1939.

Liabilities to Public

	1940	1939
	$	$
Debentures	8,676,863	8,219,986
Deposits	3,470,706	3,573,478
	12,147,569	11,793,464
Secured by:		
Liquid assets	4,200,323	3,624,251
Mtges. & int.	11,866,672	11,165,658
Other net assets†	590,464	793,810
	16,657,459	15,583,719

†Office premises, real estate and agreements for sale, less other liabilities and dividends payable.

Okanagan Investments

Succeeding Okanagan Loan & Investment Trust Co. in 1936, Okanagan Investments Co., Kelowna, B.C., acts as a broker and real estate and insurance agent. A subsidiary, Okanagan Loan & Investment Trust Co., handles estates, trusts and agencies business. Recent policy has been to avoid mortgage investment except in very exceptional cases. Total assets as of June 30, 1940, were $481,378 compared with $425,602 a year earlier. In the year ended June 30, 1940, the company earned 2.76% on capital paid up compared with 3.76% in 1939. Dividends are now at 2%.

Officers — D. de F. Boyce, chm.; J. R. Beale, vice-chm.; O. St. P. Aitkens, mgr.; H. V. Webb, sec.

Directors — B. de F. Boyce, J. R. Beale, O. St. P. Aitkens, D. K. Gordon, A. J. Corner, Kelowna.

Earnings Record

Year June 30:	Paid-up capital & reserves	Net profit*	Div. rate	Rate earned per sh.
	$	$	$	$
1936	443,818	13,320	4	3.30
1937	438,891	13,298	4	3.29
1938	438,886	14,961	4	3.71
1939	438,886	15,170	4	3.76
1940	438,927	11,118	3	2.76

*After taxes.

La Société de Prêts

Le Société de Prêts et Placements de Québec, Quebec, has small public liabilities. The total of these at the end of 1940, consisting entirely of deposits, was secured by liquid assets amounting to nearly four times the deposits outstanding.

Earnings for 1940 were reduced by higher taxation, a total of $23,579 having been paid in 1940 compared with $10,639 the year before. Current earnings were lower, but realization of investments whose value had been covered by reserves permitted the company to pay its regular 4% dividend and an additional dividend of 1% on Oct. 1, 1940.

Officers — J. L. Morency, pres., J. A. Grenier, vice-pres.; L. P. Dionne, sec.-treas.

Directors—E. Barry, Dr. J. E. Fortier, Y. Montreuil, J. L. Morency, J. A. Grenier.

Shareholders' Position
Years Ended Dec. 31

	1940	1939
	$	$
Rate earned per share	3.35	5.58
Divds. paid per share	5.00	4.00
Net profits*	26,763	44,631
Reserve	366,216	355,413
P. & L. surplus	244	275

*After taxes but before surplus adjustments and realization on assets covered by reserves.

Creditors' Position

	1940	1939
Deposits	64,488	63,677
Secured by:		
Liquid assets	228,878	230,383
Mtges. & int. net	745,082	689,464
Other net assets	256,744	299,517
	1,230,704	1,219,364

Real Estate Loan

Real Estate Loan Co. of Canada Ltd., head office in Toronto, does not accept deposits or issue guaranteed certificates. Borrowing by the company is restricted to the issue of debentures of which the majority are payable in sterling. Mortgage investments are distributed 70% in urban mortgages and real estate in Winnipeg, 3% in Edmonton and Vancouver, and 27% in Toronto. The company has agents in Winnipeg, Vancouver, Edmonton and financial agents in Edinburgh, Scotland.

Earnings for 1940 showed an increase over 1939 in operating earnings and a reduction in net profits as a result of higher taxes. Continued redemption of sterling debentures reduced the total outstanding by some $68,000 and resulted in a profit of $7,374 on purchase of sterling funds compared with a similar profit of $4,724 in 1939.

Net revenue from real estate amounting to over $15,000 was transferred to reserves and is not shown in the earnings statement. Interest accrued on Vancouver and Edmonton mortgage accounts was written off in 1940, as was some interest due on Winnipeg mortgages for periods over six months but less than one year. All interest due in excess of one year was written off as usual.

Officers—W. H. Aikins, pres.; M. A. Mackenzie, vice-pres.; C. A. Morris, man. dir.

Directors—H. W. Aikins, C. A. Morris, R. P. Wright, M. A. Mackenzie, H. Borden, W. P. Fess, all of Toronto; Hon. Lendrum McMeans, Winnipeg.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	Rate* earned per sh.
	$	$	$	$
1936	750,000	11,430	2	2.29
1937	740,000	10,543	2	2.11
1938	725,000	11,967	2	2.39
1939	715,000	12,816	2	2.56
1940	715,000	11,524	2	2.30

*After deducting income tax reserves, reserves against real estate, investments and mortgages.

Liabilities to Public
At Dec. 31

	1940	1939
	$	$
Debentures & int.	617,899	686,849
Secured by:		
Liquid assets	91,673	71,782
Mtges. & int.†	854,161	940,514
Other net assets	403,678	409,642
	1,349,512	1,421,938

†After deducting reserve of $60,000.

Saskatchewan Loan

In operation since 1911, Saskatchewan Loan & Investment Co., Moose Jaw, has assets entirely in mortgages, contracts and real estate with the exception of a small amount of cash.

Earnings in recent years have been adversely affected by unfavorable conditions in the territory in which the company operates. Net loss of $719 for 1939, latest year for which figures are available, is the lowest since 1933.

The company does not issue deposit, debentures or trust certificates and has not made a dividend payment since 1930. No branch offices are operated.

Officers — N. J. Bellamy, pres.; W. P. Johnson, vice-pres.; C. D. Grayson, sec.-treas.

Directors—J. D. Fraser, C. D. Grayson, G. K. Grayson, N. J. Bellamy, A. T. Wilson, J. C. Poyser, W. D. McIntyre, W. P. Johnson, all of Moose Jaw; W. Hillson, Briercrest, Sask.; J. Duffy, Caron, Sask.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit	Div. Rate	Rate Earned per sh.
1936	401,646	*1,301	..	..
1937	401,646	*3,854	..	..
1938	401,646	*2,409	..	..
1939	401,646	*719	..	..

*Loss.
Latest figures available.

Société Nationale

Société Nationale de Fiducie, which began business in 1918, has head office in Montreal, and does not operate branches. Although trust funds, deposits are accepted and debentures are outstanding, principal activity is in the management of estates. Over $17 millions was under administration the end of 1940 against $16.3 millions a year earlier.

Despite increase in public charges resulting from the war, earnings were slightly higher in 1940 than in 1939, and at 18.82% of subscribed capital were the best in over 10 years. Dividends, which are based on subscribed rather than paid-up capital, have recently taken the form of cash disbursements plus credits to shareholders on the unpaid balance of their shares. As a result, paid-up capital now amounts to $187,500 as compared with $125,000 at the end of 1935. Subscribed capital remains unchanged at $250,000.

Officers—V. Morin, pres.; Guy Vanier, 1st vice-pres.; J. V. Desaulniers, 2nd vice-pres., directing mgr. and sec.; H. Ouimet, asst. mgr. and asst. sec.

Directors — V. Morin, Guy Vanier, J. V. Desaulniers, Hon. C. Laurendeau, A. Lachapelle, H. Cypihot, V. E. Beaupre, J. E. Laforce, L. A. Frechette.

Earnings Record

Year	Paid-up capital & reserves	Net profit†	Div. rate	†Earn. on pd. capital
	$	$	%	%
1936	337,500	40,359	10	16.14
1937	375,000	42,187	10	16.87
1938	402,500	43,992	10	17.59
1939	430,000	45,942	10	18.37
1940	457,500	47,705	10	18.82

†Based on subscribed capital. Dividends have been paid part cash, part in reduction of unpaid balance. Cash payments have been as follows: 1940, 5%; 1939, 5%; 1938, 6%; 1937, 5½%; 1936, 5%.

Public Liabilities and Assets

	1940	1939
	$	$
Trust funds	304,647	238,312
Deposits	136,298	167,673
Debentures	102,757	106,870
	543,702	512,855
Secured by:		
Liquid assets	440,945	405,985
Net cap. assets	618,980	597,913
	1,059,925	1,003,898
Estates, etc.	17,075,762	16,336,908

Yarmouth Building

Yarmouth Building & Loan Society of Yarmouth, N.S., has been in operation since 1876 and was incorporated in its present form in 1880. The company confines its mortgage investments to Nova Scotia.

The 1939 statement shows total assets of $289,671 compared with $423,954 the year previous. Difference is primarily due to an adjustment as recommended by company auditors to carry mortgages in assets at the net figure instead of showing prepayments on the liability side.

Officers — W. C. Purney, pres.; J. W. Grant, sec-treas.

Directors—W. C. Purney, B. S. Robbins, G. Killam, A. P. Stoneman, R. S. McKay.

Earnings Record

Year	Paid-up Capital	Net Profit*	Div. Rate	†Rate earned per sh.
	$	$	%	%
1936	190,918	12,636	6	6.6
1937	190,287	14,065	6	7.4
1938	190,119	13,449	6	7.1
1939	189,113	14,205	6	7.5
1940	185,820	11,974	6	6.4

*After deducting all management expenses and taxes.
†Based on paid-up capital at end of year.

	Total Assets	Reserve Fund	Mortgages (net)*
	$	$	$
1936	412,597	58,000	241,265
1937	413,168	60,000	266,080
1938	423,955	62,000	270,192
1939	289,671	65,000	277,905
1940	287,495	65,000	263,465

*After deducting repayments.

Western Homes

Formed in 1915, Western Homes Ltd., with head office in Winnipeg, confines its business chiefly to mortgages in Winnipeg urban properties. At last report about 75% of mortgage investments were in city loans, while 27% were on farms. The company has no liabilities to the public.

Since 1915 and to the end of 1939 capital paid up increased from $24,581 to $1,465,194; assets rose from $36,614 to $1,523,564. Net profit was up slightly in 1939, while total assets showed a moderate decline.

Officers—Willis Argue, pres. and man. dir.; D. J. Dyson, vice-pres.; R. Duncan, sec.

Directors—Willis Argue, D. J. Dyson, C. E. Stockdill, E. J. Brownlee, B. C. Parker, W. A. Bremer.

Earnings Record

Year	Paid-up Capital	Net Profit*	Div. Rate	Rate Earn.†
	$	$	%	%
1936	1,444,651	30,395	2	2.10
1937	1,452,233	29,843	2	2.05
1938	1,460,524	31,953	2	2.18
1939	1,465,194	32,312	2	2.20

†Based on capital paid-up at end of year.
*Before depreciation, income tax reserve, etc.

Year	Total Assets	Reserve Fund	Liab. to Public
1936	1,598,520	112,682	nil
1937	1,552,742	‡	nil
1938	1,549,673	‡	nil
1939	1,523,564	‡	nil

‡Reserve not segregated; company carried forward as undivided profits $58,371 in 1939, $79,148 in 1938 and $100,509 in 1937, after adjustments re mortgages, etc. Latest figures available.

Toronto Mortgage

Incorporated under Ontario Charter in 1899, Toronto Mortgage Co. has its head office at Toronto. Although deposits are accepted, public liabilities are almost entirely in the form of debentures, of which $1,654,569 were payable in sterling at the end of 1940. During the year sterling debentures decreased $214,000, while Canadian currency debentures increased $150,000. An average rate of 3.48% was paid in interest on obligations. Mortgage investments are entirely in Ontario and showed a decline of $65,000 in 1940. Liquid assets rose approximately $29,000 in the period.

As a result of an increase in income tax returns to $50,000 as compared with $25,000 in 1939 earnings of the company in 1940 dropped to $4.88 per share. Dividends have accordingly been reduced to 10% or $5 per share.

Officers—A. M. M. Kirkpatrick, pres.; G. B. Strathy, vice-pres.; G. D. Kirkpatrick, vice-pres.; W. Gillespie, mgr. and sec.-treas.

Directors—A. M. M. Kirkpatrick, W. Gillespie, E. R. Greig, Hon. George S. Henry, G. B. Strathy, A. F. White, G. D. Kirkpatrick, all of Toronto.

Earnings Record

	Paid-up capital & reserves	Net profit	Div. rate†	Rate† earned per sh.
	$	$	$	$
1936	2,151,502	128,971	6	6.53
1937	2,151,502	121,019	6	6.13
1938	2,151,502	120,512	6	6.11
1939	2,151,502	117,312	6	5.95
1940	2,151,502	96,208	5.50	4.88

†Based on 19,730 fully paid shares of $50 par value.

Liabilities to the Public

	1940	1939
	$	$
Debentures	2,930,988	2,991,393
Deposits	147,494	137,141
Total	3,078,482	3,128,534
Secured by:		
Liquid assets	1,228,363	1,199,406
Mortgages & int.	4,024,808	4,090,163
Other net assets	100,557	126,376
Total	5,353,728	5,415,945

More Entrust Affairs to Experts

Varied Trust and Loan Services Increasingly Popular

While trust companies are often called on to perform a great many different duties, their functions may be classified under four general headings.

Administration of estates, trusteeships, custody of savings and the transfer of securities.

The estates department is the primary one, involving as it does the conservation and administration of estates both personal and corporate, as well as executorships.

The trust company offers advantages for this work far beyond what is ordinarily possible in the case of an individual. Take, for instance, the estate of the man who leaves his property to one or more persons by will. In such cases, it is customary to appoint an executor. If the owner of the estate does not do so the Government will name somebody to administer the estate, possibly a trust company. But most people making a will prefer to name for themselves the person who will be entrusted with managing the fruits of their life's labors.

Administration of Estates

Advantages the trust company offers as executor are that:

It does not die or become mentally or physically incapacitated.

Its operations are open to the inspection and regulation of the government authorities in the jurisdictions in which it operates.

Its officers are experts, trained and experienced in their work and conversant with the many problems that may arise. It is impartial. It has as much elasticity in its administration as the private administrator has under the law.

The advantages of these may be seen in the handling of an estate whether it be large or small.

An individual selected by a property owner as executor may be possessed of great ability. But such plans may be upset by his death or ill health, by business developments which take him into another part of the country. The trust company is not subject to such contingencies.

Financially Responsible

The trust company is financially responsible which the personal executor may not be. Not being subject to inspection by the government officials the private executor may not have the proper regard for the regulations affecting trustee investments.

The individual executor too may be influenced by personal considerations and by the varied tangles to which families are prone. The trust company is not so subject to this.

The private executor moreover usually has other business interests besides his executorship. His attention is divided and he does not become a specialist. The trust company officials are specialists in their different departments.

Corporate Trusteeship

As a trustee of a corporate or corporation trust where it acts as trustee under a trust deed to secure issues of bonds and debentures, handling a sinking fund, etc., the trust company offers similar advantages.

Many of the trust companies now operate savings departments in which they receive deposits and from which they allow withdrawals by cheque.

Transfer Agents

As transfer agents, the trust companies keep a record of the shareholders of a corporation and all transfers of ownership must go through its office. Companies having shares listed on a stock exchange usually are required to have a trust company as their transfer agent.

Trust companies make it their business to keep well informed on all matters of taxation and legislation affecting their business and that of their clients. Consequently they are often in a position to give valuable advice to clients.

Their expert knowledge and experience combined with the permanence of a corporation accordingly are important features of the services they render.

Canadian Trust Companies Reviewed

(Continued from page 15)

A relatively small part of capital funds are in western Canada.

Earnings from operations were higher in 1940, but rise in taxes from $4,750 in 1939 to $12,551 in 1940 resulted in lower net profits.

Officers — W. H. Wardrope, pres.; A. W. Briggs and Norman Sommerville, vice-pres.; Charles Bauckham, vice-pres. and man. dir.; J. R. Lovatt, sec.; J. S. Hamilton, mgr., Regina branch.

Directors — W. H. Wardrope, Hamilton; A. W. Briggs, Norman Sommerville, Charles Bauckham, J. Hallam, C. H. Burgess, W. H. Adamson, all of Toronto; L. Johnson and W. H. McEwen, Regina; Dr. S. J. Boyd, Newmarket.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	Div. Rate	†Rate Earned per sh.
	$	$	$	$
1936	815,085	22,550	1	2.85
1937	815,116	24,938	2	3.16
1938	840,200	29,179	2½	3.69
1939	850,000	33,173	3	4.17
1940	852,800	26,363	3	3.29

*After all charges, including depreciation and income taxes. Before transfer of $1,000 to employees' retirement fund in 1940 and 1939.
†Based on average amount of paid-up capital outstanding in each year.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guar. trust certificates	1,920,644	1,871,934
Deposits	306,240	353,831
	2,226,884	2,225,765
Secured by:		
Liquid assets	376,472	411,599
Mortgages & int.	1,850,412	1,814,166
Other net assets‡	881,241	877,161
	3,108,125	3,102,926
Estates, etc.	5,918,283	6,430,382

‡Consisting of capital account liquid and other assets, less current liabilities.

Sun Trust

Head office of the Sun Trust Ltd. is at Montreal with a branch at Quebec City. Sun has been in business since 1912 and has accepted deposits since 1931. Rate paid on deposits is 2%.

Operating earnings were higher in 1940 than in 1939 by about $1,000, but an increase in taxes resulted in lower net. Earnings were $5.38 per share against $6.77 in 1939. Business showed marked expansion in 1940 with an increase of $741,000 in estates under management. Rise in deposits of over $160,000 was shown and for the first time "other assets under administration" amounting to $6.4 millions appeared.

Officers—A. Vallee, pres.; J. Simard, A. Hudon and J. A. Brillant, vice-pres.; Herve Prevost, gen. Mgrg.; J. H. Chretien, Mgr. at Quebec; G. Favreau, sec.; R. E. Ouimet, treas.

Directors — A. Vallee, J. A. Simard, A. Huddon, J. A. Brillant, M. Dufresne, Hon. R. O. Grothe, C. Delagrave, J. E. Labelle, Hon. L. Moraud, E. Poirier, Hon. G. Parent, Hon. W. Gagnon.

Shareholders' Position

	1940	1939
	$	$
Rate earn. per sh.	5.38	6.77
Divds. paid per sh.	5.00	5.00
Net profits	13,442	16,913
P. & L. Surplus	39,349	38,407

Creditors' Position

	1940	1939
	$	$
Guaranteed acct.	406,030	242,223
Secured by:		
Guar. accts.	406,030	242,223
Capital assets	363,672	360,903
	769,702	503,126
Estates, etc.	8,819,737	8,078,016
Other assets Administered	6,352,651	....

Sterling Trusts of B. C.

Sterling Trusts Co. of British Columbia has most of its assets in mortgages. Head office is Vancouver. Assets declined $8,158 to $331,737 in 1938, the latest year for which figures are available. Estates, trust and agency account amounted to $175,543.

Trust & Loan Co.

Trust & Loan Co. of Canada was incorporated in 1843 and by Royal Charter in 1845. From head office in London, Eng., it operates at Montreal, Winnipeg and Regina.

Financial statement for the year ended March 31, 1940, reveals marked improvement in earnings due to better conditions in western Canada. Gross income of £130,866 was up from £91,284 in the previous year.

Balance sheet showed a reduction in outstanding debentures from £611,818 to £506,218. Money on call increased from £163,825 in £212,053. Improvement in mortgage collections is reflected in a reduction in overdue interest from £60,625 to £25,439.

Officers and Directors — Rt. Hon. Viscount Greenwood, pres.; J. H. Newcomb, M. Balfour, P. Lindenberg, R. C. Young, C. R. Snowden, sec.

Revenue Account
Years Ended March 31

	1940	1939
	£	£
Gross income	130,866	91,284
Less: Expenses	28,944	28,754
Deb. interest	22,047	25,979
Deb. stock int.	29,291	29,419
U. K. income tax	....	168
Can. tax	4,824	1,275
Depreciation	2,027	2,027
Other charges	2,764	3,662
Surplus	40,969	....
Previous surplus	1,300	2,339
From reserves	....	1,600
Less: Contingencies	15,000	....
Surplus forward	27,269	3,939

Toronto General

Incorporated 1872, Toronto General Trusts Corp. is one of the older and larger companies in the field. From head office in Toronto branches are operated in Montreal, Ottawa, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Vancouver.

In its 59th annual report for the year ended Dec. 31, 1940, it showed a slight increase in operating earnings over 1939. After allowing for an increase in taxes to $80,000 from $65,000 in 1939, net available for dividends decreased approximately $14,000. Earnings remained well above dividend requirements of $4 per share.

Increase of nearly $3 millions was shown in estates under administration. The number of wills filed for safe-keeping and in which the company is named executor and trustee is increasing.

While collections on farms and mortgages suffered during 1940 as a result of the wheat quota system, collections in the early part of 1941 were reported to be gratifying.

Officers—A. E. Phipps, pres.; Charles McCrea, vice-pres.; W. G. Watson, vice-pres. and gen. mgr.; H. M. Forbes, G. C. Lindsay, asst. gen. mgrs.; T. J. Maguire, mgr. Toronto office; J. W. Burgess, compt.; J. W. Langmuir, sec.; D. K. Tow, treas.; A. R. Courtice, trust officer; C. W. Nicholson, supervisor of branches; James Lang, estates mgr.

Directors—Hon. G. Howard Ferguson, C. S. Macdonald, Charles McCrea, Alexander Fasken, Col. J. F. Michie, H. H. Williams, A. L. Bishop, A. C. Matthews, S. J. Moore, Hon. Albert Matthews, A. E. Phipps, C. S. MacInnes, W. G. Watson, H. Horsfall, W. K. Fraser, W. C. Laidlaw, Morden Neilson, Toronto; Hon. A. C. Hardy, Brockville, Ont.; Isaac Pitblado, Winnipeg; Brig. Gen. C. H. Maclaren, Buckingham, Que.; P. J. Myler, Hamilton; Aubrey Davis, Newmarket, Ont.

Branch Offices—Montreal, Ottawa, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Vancouver.

Earnings Record

Year	Paid-up Capital & reserves	*Net profit	Div. rate	*Rate earned per sh.
	$	$	$	$
1936	4,500,000	224,784	4	7.49
1937	4,500,000	231,065	4	7.70
1938	4,500,000	232,166	4	7.74
1939	4,500,000	242,104	4	8.07
1940	4,500,000	228,047	4	7.60

*After income tax reserve, but before writing off 50,000 annually against office premises.

Creditors' Position

	1940	1939
	$	$
Invest. certificates	11,348,105	11,636,313
Deposits	6,886,005	8,099,135
	18,234,110	19,735,448
Secured by:		
Liquid assets	5,989,837	6,903,549
Mtges. & int.	12,244,273	12,831,899
Other net assets	4,959,660	4,901,612
	23,193,770	24,637,060
Estates, etc.	218,101,739	215,179,749

Trusts & Guarantee

Incorporated 1897 the Trusts & Guarantee Co. Ltd. has head office in Toronto, operates branches in Brantford, Windsor, Winnipeg and Calgary. In addition to its large estate business it accepts savings deposits at 2% interest and issues guaranteed investment certificates for amounts of $100 and upward for periods of one to five years. Rates range from 3% for terms of one or two years to 3¾% on terms of five years.

The 44th report for the year ended Dec. 31, 1940, is the first to show the effect of the changes in capital structure effected Sept., 1940. Largely as a result of this reorganization total assets are shown at $52.9 millions against $55.8 millions the end of 1939. Cutting in half the number of shares outstanding and the book value of capital stock, together with an increase of over $3,000 in net profits after all charges, brought earnings per share of new capital to $6.43 for 1940. Comparative figure for 1939 would have been $6.17.

At end of 1940, mortgages and agreements of sale, which make up about 70% of the total funds in guaranteed account, were distributed as

(Continued on page 18)

The British Mortgage and Trust Corporation of Ontario

Founded in 1877
STRATFORD, ONTARIO

• • •

Paid Up Capital $1,000,000.00
Reserves ..... $ 825,000.00

2½% on Trust Deposits
3½% on Guaranteed Investment Certificates

Hon. Nelson Monteith
President

W. H. Gregory
Managing Director

SIXTY-FOURTH YEAR

THE
Yorkshire & Canadian Trust
LIMITED
HEAD OFFICE, HUDDERSFIELD, ENGLAND

Canadian Head Office:
YORKSHIRE BUILDING, VANCOUVER, CANADA

Over 50 Years of efficient service in British Columbia as
EXECUTOR — TRUSTEE — ADMINISTRATOR
REGISTRAR AND TRANSFER AGENT

H. W. DYSON, President
F. H. WRIGHT, Vice-President G. P. KAYE, Vice-President
W. L. WALDIE, Trust Officer

VICTORIA, B.C. OFFICE—600 VIEW ST. A. M. ROBERTSON—Manager

General Trust of Canada
HON. D.-O. L'ESPERANCE, Chairman of the Board

HON. DONAT RAYMOND, President
BEAUDRY LEMAN, Vice-president
RENE MORIN, General Manager

Executor - Trustee - Transfer Agent
Capital paid up $1,105,000.00
Estates & Trust accounts $90,000,000.00

MONTREAL
112 St. James St. West

QUEBEC
71 St. Peter St.

TORONTO
Joint facilities with
The Trusts and Guarantee Company Ltd.

THE
STERLING TRUSTS
CORPORATION
TORONTO REGINA

DIRECTORS AND OFFICERS
President
W. H. WARDROPE, K.C.
Vice-Presidents
A. W. BRIGGS, K.C. NORMAN SOMMERVILLE, K.C.
Vice-President and Managing Director
CHAS. BAUCKHAM

W. H. ADAMSON
JOHN HALLAM
W. H. McEWEN, K.C.
LORNE JOHNSON
C. H. BURGESS
DR. S. J. BOYD

JAMES R. LOVATT, Secretary
J. M. SMILLIE, Mortgage Officer
E. R. MEREDITH, Estates Officer
L. MARTIN, Transfer Officer
V. H. EDWARDS, Manager, Real Estate Dept.
C. H. YOUNG, Rentals Officer
J. S. HAMILTON, Manager, Regina, Sask., Branch

Incorporated in Nineteen Hundred and Eleven

THE WATERLOO TRUST AND SAVINGS COMPANY

Capital and Reserves - $1,400,000.00
Assets - - - $20,500,000.00

DIRECTORS
FORD S. KUMPF, President
President, The Dominion Life Assurance Company
Director, The Waterloo Mutual Fire Insurance Company

LOUIS L. LANG, Vice-President
President, Lang Tanning Company Limited
Vice-President, The Mutual Life Assurance Company of Canada
Director, Bank of Montreal

HENRY KNELL, Vice-President
President, Economical Mutual Fire Insurance Company

H. J. SIMS, K.C.,
Solicitor to The Mutual Life Assurance Company of Canada
Director, Economical Mutual Fire Insurance Company

GEORGE A. DOBBIE,
President, Stauffer Dobbie Company Limited
Vice-President, The Dominion Life Assurance Company
Director, The Royal Bank of Canada

ALLAN HOLMES,
President, The Galt Daily Reporter

R. O. McCULLOCH,
President, The Mutual Life Assurance Company of Canada
Director, Imperial Bank of Canada

P. R. HILBORN,
President, The Preston Furniture Company
President, Canadian Office & School Furniture Company, Limited

SENATOR W. D. EULER,
President, The Kitchener Daily Record
Vice-President, Economical Mutual Fire Insurance Company
Director, The Dominion Life Assurance Company

W. J. MOTZ,
Vice-President and Managing Director The Kitchener Daily Record
Director, Economical Mutual Fire Insurance Company

THOS. W. SEAGRAM,
President, Frowde Limited
President, Canada Barrels & Kegs Ltd.

W. H. SOMERVILLE,
General Manager and Director The Mutual Life Assurance Company of Canada
Director, Economical Mutual Fire Insurance Company

FRED HALSTED,
Special Agent

J. E. FROWDE SEAGRAM,
President, Jos. E. Seagram and Sons Limited
Director, The Dominion Life Assurance Company

WM. HENDERSON, M.D.,
Director, The Waterloo Mutual Fire Insurance Company

W. L. HILLIARD, M.D.,
Medical Director, Equitable Life Insurance Company of Canada

P. V. WILSON, Managing-Director

EQUIPPED TO ACT IN ALL TRUST CAPACITIES
WATERLOO KITCHENER GALT PRESTON

Canadian Trust Companies Reviewed

(Continued from page 17)

follows: 73.2% in Ontario, 8.6% in Manitoba, 6% in Saskatchewan, 10% in Alberta and 2.2% in British Columbia.

Officers — Herbert Begg, chm. of board; Arthur F. White, pres.; C. S. Hamilton, vice-pres. and joint gen. mgr.; Col. The Hon. Herbert A. Bruce, vice-pres.; H. A. Howard, vice-pres. and gen. mgr. of Western branches; J. E. Robinson, sec.; R. S. Anderson, treas. and Toronto mgr.; C. D. Henderson, supt.; J. H. Whitehead, estates mgr.; S. A. Smythe, transfer officer; R. W. Roberts, Brantford branch mgr.; O. N. Birchard, Windsor branch mgr.; A. B. Hornby, branch mgr., Winnipeg.

Directors—Herbert Begg, chm.; Arthur F. White, C. S. Hamilton, Thayer Lindsley, F. J. Crawford, E. G. Wills, G. W. Nicholson, Col. The Hon. Herbert A. Bruce, G. P. Campbell, J. A. McDougald, Toronto; W. D. Bell, Chesley; H. A. Howard, Calgary; Col. S. C. Robinson, Walkerville; Col. Ernest Wigle, Windsor; J. B. McMartin, Montreal; Major Edmund Sweet, Brantford; W. M. Archibald, Creston, B.C.; Lt.-Col. W. E. Phillips, Oshawa.

Calgary Advisory Board—P. Turner Bone, R. W. Ward, C. D. Taprell, Calgary.

Branch Offices—Brantford, Windsor, Ont.; Winnipeg, Calgary.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit	Div. Rate	†Rate Earned per Sh.
	$	$	%	%
1936	2,548,287	67,124	2	2.63
1937	2,548,287	78,856	2	3.09
1938	2,548,287	78,278	2	3.11
1939	2,548,287	78,242	2	3.07
1940	*1,267,500	81,499	‡2	6.43

†Based on paid-in capital at year end.
*Giving effect to reduction in capital on one new for two old shares basis. Dividends on new stock being paid at rate of 4% in 1941.
‡Paid on old stock.

Creditors' Position
As at Dec. 31

	1940	1939
	$	$
Trust funds	6,462,081	6,603,737
Deposits	2,938,954	3,010,741
	9,401,035	9,614,478
Secured by:		
Liquid assets	2,883,506	2,771,873
Mortgages & int.	6,517,529	6,598,820
Real estate for sale†	......	243,785
Other net assets*	1,536,764	2,786,843
	10,937,799	12,401,321
Estates, etc.	41,862,789	43,275,768

†Real estate in guaranteed trust account only.
*Liquid and other capital account assets, less current liabilities.

Waterloo Trust

Waterloo Trust & Savings Co. has head office at Kitchener, operates branches at Waterloo, Galt and Preston. Interest of 2% is paid on demand deposits and trust certificates at 3% for short term and 3¼% for longer terms are also issued. Dividends have been paid regularly at 5% since 1933.

The company claims one of the most active saving deposit businesses in the province. At the end of 1940 deposits totalling $6.9 millions were outstanding representing about 28,000 accounts. The large deposit business necessitates retention of a good proportion of liquid assets and mortgage investments are confined largely to Waterloo County, the City of Toronto, with a few loans elsewhere in Ontario and small amounts in western Canada taken some years ago.

Increased operating earnings were cancelled by higher income taxes in 1940.

Officers—F. S. Kumpf, pres.; L. L. Lang and H. Knell, vice-pres.; P. V. Wilson, man. dir.

Directors—F. S. Kumpf, W. L. Hilliard, F. Halstead, Wm. Henderson, Sr., J. E. F. Seagram, T. W. Seagram, W. H. Somerville, Waterloo; L. L. Lang, A. Holmes, R. O. McCulloch, G. A. Dobbie, Galt; P. R. Hilborn, Preston; H. Knell, W. J. Motz, Hon. W. D. Euler, H. J. Sims, Kitchener; P. V. Wilson.

Branch Offices—Kitchener, Galt, Preston.

Earnings Record

Year	Paid-up capital & reserves	*Net profit	Div. rate	*Rate earned per sh.
	$	$	$	$
1936	1,400,000	99,929	5	9.99
1937	1,400,000	105,071	5	10.51
1938	1,400,000	106,853	5	10.69
1939	1,400,000	103,819	5	10.38
1940	1,400,000	96,147	5	9.61

*After taxes, but before deduction of contingency reserves and amounts written off fixtures at rate of $3,000 annually.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guar. invest. receipts	4,146,602	4,112,949
Deposits	6,889,352	6,817,146
Total	11,035,954	10,930,095
Secured by:		
Liquid assets	4,412,940	4,550,641
Mortgages & int.	6,623,014	6,379,454
Other net assets	1,442,999	1,421,310
	12,478,953	12,351,405
Estates, etc.	7,991,367	7,592,244

Victoria Trust

Head office of Victoria Trust & Savings Co. is at Lindsay, Ont., with a branch office at Cannington, Ont. Greater part of the approximate $6.6 millions in mortgage investments is located in and around Lindsay and in Toronto. A smaller proportion is invested in Saskatchewan mortgages.

In the 1940 report, increases were shown in estates under management, investment certificates outstanding, trust deposits and securing assets.

Taxes rose from $4,500 in 1939 to $17,200 in 1940, leaving net profits approximately $15,000 lower. In line with the increased burden of taxation dividends were reduced to $4.50 for 1940 as compared with $6 per share in 1939.

Officers—W. Flavelle, pres.; T. H. Stinson and J. B. Begg, vice-pres.; C. E. Weeks, mgr.; N. Smale, asst. mgr.; G. H. Shipman, mgr., Cannington; G. A. Weeks, estates mgr.

Directors—W. Flavelle, H. J. McLaughlin, J. B. Begg, W. Walden, T. H. Stinson, C. E. Weeks, W. E. Reesor, F. G. Perrin.

Branch Office—Cannington, Ont.

Earnings Record

Year	Paid-up capital & reserves	*Net profit	Div. rate	*Rate earned per sh.
	$	$	$	$
1936	1,695,000	55,436	6	6.84
1937	1,695,000	50,166	6	6.19
1938	1,595,000	50,627	6	6.25
1939	1,595,000	53,809	6	6.64
1940	1,595,000	38,182	4½	4.71

*After deducting all charges and income taxes, but before writing $548 off office premises in 1939, $390 in 1940.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Invest. certificates	5,565,523	5,519,180
Trust deposits	1,629,395	1,617,849
Total	7,194,918	7,137,029
Secured by:		
Liquid assets	1,723,748	1,475,260
Mortgages & int.	5,471,170	5,661,769
Other net assets	1,630,295	1,618,953
	8,825,213	8,755,982
Estates, etc.	1,776,850	1,698,745

Western Trust Co.

Western Trust Co. has head office in Winnipeg, branches in Regina and Edmonton. The company's mortgage investments are entirely in the three western provinces. Collections in 1940 were somewhat disappointing, being only 66% of the record in 1939. The company attributes smaller collections to the poor grain crop, its low price, the quota system of wheat delivery and to debt adjustment legislation.

Earnings were slightly higher in 1940 than in 1939. Dividends have not been paid since 1937. The company does not accept deposits, but issues guaranteed trust investment certificates at an interest rate of 3½%.

Officers—R. Johnston, pres.; A. B. Adamson, man. dir.; A. I. Grierson, sec.

Directors—R. Johnston, H. H. Smith, A. B. Adamson, Hon. W. J. Tupper, all of Winnipeg; G. R. Whitmore, Regina; W. P. Fess, Toronto; J. H. Lane, Huronville, Sask.

Branch Offices — Regina, Saskatoon, Edmonton.

Earnings Record

Year	Paid-up capital & reserves	Net profit*	Div. rate	Rate earned per sh.
	$	$	$	$
1936	1,395,250	676	..	0.06
1937	1,395,250	2,349	1	0.23
1938	1,392,297	870	..	0.09
1939	1,392,297	2,292	..	0.23
1940	1,392,297	2,724	..	0.27

*After provision for income tax.

Public Liabilities and Assets

	1940	1939
	$	$
Funds for invest.	405,760	523,836
Secured by:		
Mortgages & int.	381,620	495,636
Other net assets	1,461,265	1,463,024
	1,842,885	1,958,660
Estates, etc.	5,189,281	1,529,825

Westminster Trust

In operation since 1904, Westminster Trust Co. has head office at New Westminster, B.C. The company derives its income largely from the mortgage business, but no annual reports have been issued to the public in recent years.

Yorkshire & Canadian

Established in 1887, with head office at Huddersfield, England, the Yorkshire & Canadian Trust Ltd. has its Canadian head office at Vancouver, B.C., and branch at Victoria. The company conducts a general trust business, also acts as registrar and transfer agents.

THE
NOVA SCOTIA TRUST COMPANY

Annual Statement
February 28, 1941

Net Earnings	$76,319
Guaranteed Funds now amount to	$1,412,769
Estates, Trusts and Agencies	$9,424,193
Paid-up Capital	$500,000
Reserve Fund	$245,000
Total Assets Exceed	$11,700,000

Melvin S. Clarke — *President*
Bernard P. Saunders — *Vice-Pres.*
T. W. Murphy, K.C. — *Vice-Pres.*

DIRECTORS
C. W. Anderson, R. A. Corbett, Hon. W. H. Dennis, R. W. Elliot, L. A. Forsyth, K.C., George E. Graham, A. N. Jones, Geo. H. Murphy, M.D., A. A. McIntyre, K.C., M. J. Wardrope, M.D., John A. Young.

R. W. Elliot, *Managing Director*
G. R. Harrison, *Secretary*

The
NOVA SCOTIA TRUST COMPANY
Head Office:
HALIFAX, Nova Scotia
Branch at Sydney, N.S.

The Sun Trust
Limited
Administrator — Executor
Trustees for Bond Issues
Transfer Agent and Registrar
Liquidator

ARTHUR VALLÉE, K.C., *President*
HERVÉ PREVOST, *General Manager*

HEAD OFFICE
10 St. James St., West
Montreal

BRANCH
132 St. Peter St.,
Quebec

Sees Sacrifices In Co-operating With America

From Our Own Correspondent

OTTAWA.—Negotiations on exchange and trade, co-ordination of war production and an agreement to avoid competition in supplying agricultural commodities to Britain are understood to be under way between Ottawa and Washington.

The fact that these important problems are outstanding, at the same time indicates the opening of a new phase of Canadian-U. S. relations. Canadian Treasury, Munitions and Supply and External Affairs officials are chiefly preoccupied with the immediate consequences.

The Canadian adverse trade balance with the United States cannot be carried much longer without impairing the exchange relations established when Canada went into the war. The unfavorable balance has been steadily increasing, beyond the midwinter level of $30 millions a month. One report is that the British Government is prepared to transfer U. S. securities to the Canadian Government in order to bolster the exchange position.

Want No More Bans

At the same time, neither Ottawa nor Washington wishes to go further than necessary in restrictions upon trade across the frontier. It is probably politically unwise to do so, and pressure is growing in Canada for relaxation of the stringent exchange conservation measures already imposed.

Special significance is seen in the fact that both Senator Claude Pepper of Florida and Wendell L. Willkie, in recent visits to Canada, stressed the urgency of removing trade barriers between the two countries, and between the British Commonwealth and the United States.

"Above all," said Mr. Willkie at Toronto, "the British Commonwealth of Nations and the United States must join together in eliminating their own trade barriers and obstructions."

The production problem has been under consideration for several months, following creation of the Joint Defense Board last August. There is good reason to believe that for the first time, a statement in something more than vague general terms will be made on this subject soon.

Ottawa Defers Decision

Ottawa has put off important decisions such as whether the manufacture of aircraft engines should be undertaken. The advantages of relying on U. S. production facilities are understood to have prevailed among Canadian munitions chiefs, but none of them have said so publicly, and as far as Parliament knows the department is still considering an airplane engine plant.

The U. S. farmer has been led to believe that under the Lease-Lend law he will find a new market for farm surpluses. But neither Washington nor London, it is understood, wish to disturb the foodstuff agreements Britain signed with Canada last fall.

April Dividends Are Down Slightly

But $2.7 Millions Higher in First Four Months

Dividends distributed by Canadian companies in the first four months of 1941 will exceed disbursements for the corresponding period of 1940 by about $2.7 millions, according to an estimate by The Financial Post. Of the four months for which estimates have been made, January, February and March have all shown totals above those of last year but April will be about $370,000 down.

Bond interest payable in April this year shows a larger decline than dividends payments. Total for interest disbursements is $32.8 millions compared with $34.9 millions in April a year ago.

April this year brings an unusual number of extra payments. There will be 14 companies paying extra dividends this month of which six will be gold mines. The list includes Bralorne, Canada Packers, Canadian Cottons, Cariboo Gold Quartz, Goodyear Tire & Rubber, Hollinger Consolidated, J. A. Lang, Modern Containers, Preston East Dome, San Antonio, Stedman Bros., Third Canadian General Investment Trust, Western Grocers and Wright-Hargreaves.

Rates Increased

Canadian Canners is again paying a participating dividend of five cents a share on its first and second preference shares. Canada Iron Foundries has increased its payment to $4.50. This company last paid $1.50 a share in Nov., 1940. Nanaimo-Duncan Utilities has raised dividends to 25 cents a share from 20 cents.

Five companies are paying on accumulated arrears. Great West Saddlery is wiping out remaining arrears on its first preferred with a payment of $2.25 a share. Hamilton Cotton is paying 25 cents a share on arrears. Melchers Distilleries is also eliminating arrears with a payment of 30 cents a share. Ontario Silknit is paying $1 a share and Sherwin Williams $1.75.

Montreal Tramways is the single company to pass a dividend ordinarily paid this month. Canadian Westinghouse is paying 50 censs a share this month. This company's last payment was for 87½ cents a share in January but the latest declaration does not represent any reduction. The 87½ cent payment established a regular $2 a share annual rate.

Consumers' Gas Co. of Toronto is only paying $2 a share this time compared with $2.50 a share which has been the regular rate for many years. Ottawa Light, Heat & Power is paying 15 cents a share where its last previous payment was 25 cents. Consolidated Bakeries has cut payment to 15c a share compared with last previous disbursement of 25 cents a share.

Monthly Dividends

	1941	1940
	$	$
January	23,026,402	22,938,309
February	10,655,895	6,779,319
March	27,821,583	28,740,412
April	23,117,119	23,487,730
Total	84,620,999	81,945,770

Summary of April Payments

	1941	1940
	$	$
Dividends	23,117,119	23,487,730
Bond interest	32,832,000	34,872,000
Total	55,949,119	58,359,730

Dividend Payments

Industrials and Utilities

Company	Rate	Date	Amount
	$		$
Agnew Surpass, p.	1.75q	1	15,333
Alta. W. Pres., pfd.	1.75q	1	3,843
Amer. Cyan., A, B	†.15q	1	392,755
Do., pref.	†.12½q	1	58,515
Assoc. Brew., pref.	1.75q	1	13,367
Belding Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,646,538
Biltmore Hats	.15q	15	12,000
Brantford Cord., p.	32½q	15	11,985
Brazilian Tr., pref.	1.50q	1	5,901
B.C. El. Pr. & Gas, p	1.50q	1	75,000
B.C. Power, A	.50q	15	500,000
B.C. Tele., 1st pref.	1.50q	1	15,000
Building Prod.	.17½q	1	84,592
Burlington Steel	.15q	1	21,000
Canada Bread, pfd.	1.25q	1	15,625
Do., B pref.	.62½q	1	15,625
Canada Iron	4.50	15	71,950
Do., pref.	3	15	116,334
Canada Nor. Pwr.	▪.25	25	100,000
Do., pref.	▪1.75q	15	96,250
Canada Packers	.75q	1	150,000
Do., extra	.50	1	100,000
Can. Steamships, pf.	2.50	1	573,125
Can. Breweries, pfd.	.75q	1	122,400
Can. Canners	.12½q	1	17,223
Do., 1st pref.	.25q	1	47,719
Do., participating	.05	1	9,543
Do., 2nd pref.	.15q	1	54,559
Do., participating	.05	1	18,186
Canadian Car, pfd.	▪.44	10	124,570
Can. Converters	.50q	30	8,667
Can. Cottons	1q	1	27,155
Do., extra	2	1	54,310
Do., pref.	1.50q	1	54,922
Can. Fairbanks, p.	1.50q	15	17,517
Can. Gen. Electric	2q	1	377,690
Can. Industries, A, B	1.75q	30	1,219,653
Do., pref	1.75q	30	81,375
Can. Tube & Steel, p.	1.50	15	22,500
Can. Westinghouse	▪.50	1	273,000
Can. Wire. Box, A	.37½q	1	19,261
Carnation, 1st pref.	†1.25q	1	36,732
Celan. of Amer., pr. p.	†1.75q	1	288,431
Comm. Alcohols, pf.	.10q	15	5,000
Cons. Bakeries	.15q	1	47,766
Consumers' Gas	2q	1	291,104
Dominion Coal, pfd.	.37q	1	83,749
Dom. Foundries	.25q	1	88,594
Dominion Glass	▪1.25q	1	53,125
Do., pref.	▪1.75q	1	45,500
Dominion Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
Eastern Steel, pfd.	.25q	1	4,500
Easy Washing, pf.	.17½q	1	1,125
Fanny Farmer	†.37½q	1	136,894
Foundation Co.	.25q	18	21,150
Gatineau Power, pf.	1.25q	1	152,450
Do., 5½% pref.	1.37q	1	47,950
Goodyear Tire	.62q	1	159,501
Do., extra	1.50	1	385,890
Do., pref.	.62½q	1	74,425
Gould Pumps, pfd.	†1	1	7,475
Gt. Lakes Pap., A, B, p	▪.25	1	50,000
Gt. Lakes Power, pf.	1.75q	15	13,125
Gt. West Sadd'y., p.	*2.25	4	15,732
Do., 2nd pref.	3	4	3,474
Greening Wire	.15q	1	28,500
Ham. Cotton, pref.	.50q	1	9,152
Do., arrears	.25	1	4,576
Hinde & Dauch	.12½q	1	37,491
Honey Dew	.50q	1	10,322
Inter. Bronze	.37½q	15	37,500
Do., pref.	.37½	15	37,500
Inter. Milling, pfd.	†1.25q	15	69,218
Inter. Power, pref.	1.75q	1	140,000
Jam. Pub. Service	.17q	1	22,950
Do., pref.	1.75q	1	13,125
Lang, J. A.	.17½q	1	17,500
Do., extra	.12½	1	12,500
Maritime Telegraph	.17½	15	66,504
Do., pref.	.17½q	15	26,250
Melchers Distil., pf.	*.30	15	37,500
Mitchell, J. S., pf.	1.75q	1	4,735
Modern Contain.	.20q	1	5,000
Do., extra	.10	1	2,500
Do., pref.	1.37½q	1	4,125
Montreal L. & Pr.	.37q	30	1,660,939
Montreal Telegraph	‡.55	15	27,500
Moore Corp.	.55½q	1	230,911
Do., pref., A, B	†1.75q	1	55,555
Murphy Paint	.20q	1	13,760
Do., pref.	1.37½q	1	5,500
Nan.-Dun. Util., c.	.25s	1	18,750
National Brew.	.50q	1	360,686
Do., pref.	.44q	1	48,840
Nat. Grocers, pfd.	.37½q	1	56,250
National Steel	.50q	15	87,750
Niag. W. Weav.	.50q	1	57,500
N. S. Light & Pr., c.	1.50q	1	51,784
Ogilvie Flour, c.	.25q	1	150,000
Ontario Silknit, p.	▴1	15	10,000
Ott. Car & Air.	.20	15	18,000
Ottawa Elec. Rly.	.30q	1	10,559
Ottawa L., H. & P.	.15q	1	21,000
Do., pref.	1.25q	1	21,250
Page Hersey	1.25q	1	217,845
Porto Rico Pr., p.	1.75q	1	17,500
Power Corp., pfd.	▪1.50q	15	75,000
Do., 2nd pref.	▪.75q	15	75,000
Price Bros., pfd.	1.37½q	1	86,409
Prov. Paper, pref.	1.75q	1	61,250
Remington Rand	†.20q	1	348,579
Do., pref.	†1.12½q	1	208,047
Riverside Silk, A	.50q	1	15,000
St. J. Drydock, p.	1.37½q	1	4,840
St. Law. Corp., A, p.	.25q	15	73,329
St. Law. Pap., pref.	.50q	15	69,900
Sangamo	.25	10	11,325
Sher.-Williams, pfd.	1.75q	1	60,550
Do., arrears	1.75	1	60,550
Silverwoods D., pfd.	.20s	1	29,000
Smith, H., Paper, pf.	1.50q	15	102,991
South. Can. Pwr., pref.	1.50q	15	106,333
Standard Fuel., p.	1q	1	11,860
Stedman Bros.	.15q	1	13,500
Do., extra	.60	1	54,000
Do., pref.	.75q	1	4,500
Tamblyn, G.	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	17,718
Tuckett Tobacco, p.	1.75q	15	35,000
United Fuel, A, p.	.75q	1	67,500
Viau, pref.	1.25q	1	11,825
Wabasso Cotton	.50q	1	34,951
West Koot. Pr., pf.	1.75q	1	8,750
Western Grocers	.75q	15	12,706
Do., extra	1	15	16,943
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Willson Stat., pfd.	1.25q	15	5,000
Wilsil	.25q	1	33,925
Total			14,643,818

Mining Companies

Company	Rate	Date	Amount
Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Broulan Porc.	.03	19	80,820
Cariboo Gold	.04q	1	53,332
Do., extra	.02	1	26,666
Chesterville L.	.05	15	86,777
Cochenour W'ns.	.03	25	87,349
Delnite Mines	.03	30	89,363
Dome Mines	▪.50q	21	973,334
Falconbridge N.	.05	4	166,875
Hollinger Cons.	.05	22	246,000
Do., extra	.05	22	246,000
Kerr Addison	.05	28	236,515
Kootenay Belle	.02	22	13,504
Lamaque Gold	.10q	1	300,000
Magnet Cons.	.07½	10	225,000
Moneta Porc.	.03q	16	76,315
Mt. Zeballos G.	.05	1	55,000
Naybob Gold	.01q	15	43,703
Negus Mines	▴.05	10	100,000
North. Empire M.	.20	15	80,000
Pioneer Gold	.10q	1	175,175
Premier Gold	.03q	15	150,000
Preston E. Dome	.05	15	150,000
Do., extra	.02½	15	75,000
San Antonio	.07s	21	164,360
Do., extra	.03	21	70,440
Sheep Creek M.	.04q	15	75,000
Silbak Premier	.04	25	100,000
Spud Valley Gold	.02q	10	42,000
Sturgeon R. G.	.04	30	109,990
Teck Hughes	▪.10q	1	480,714
Tombill Gold	.05	10	76,000
Wright-Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
Total			6,054,332

Oil Companies

Company	Rate	Date	Amount
Brit. Amer. Oil	.25q	1	693,160
Calgary & Edm.	.05	7	120,755
Canadian Oil, pfd.	2q	1	40,000
McColl-Fron., pfd.	1.50q	15	115,638
North Star Oil, p.	.08¾q	1	17,500
Total			987,053

Financial

Company	Rate	Date	Amount
Bank of N. Scotia	3q	1	360,000
Brit. Amer. Assur.	1.50s	1	37,500
Brockville Trust	.62½q	1	6,250
Canada Life	5q	1	50,000
Can. Perm. Mtge.	2q	1	140,000
Can. For. Invest., p.	2q	1	15,732
Can. Gen. Invest.	.12½q	15	75,073
Cent. Can. Loan	2q	1	50,000
Chartered Trust	1q	1	10,000
Crown Life	3%q	1	8,352
East. Can. Savings	1.50	1	11,250
Eastern Trust	2q	1	20,000
Economic Invest.	1.37½	1	54,896
Gt. West Life	3.75q	1	37,500
Guaranty Trust	1.25q	15	3,125
Huron & E. Mtge.	1%q	1	50,000
Invest. Found., pref.	.75q	15	22,177
Landed Banking	1q	1	10,000
Mtl. C. & D. Bank	3q	1	60,000
National Trust	2q	1	60,000
N. S. Trust	3.50s	15	17,500
Ont. Loan & Deb.	1.25q	1	50,000
Sun Life Assur.	3.75q	1	75,000
Third C. Gen. Inv. T.	▪.12½a	1	81,749
Do., extra	▪.02½	1	16,349
Tor. Gen. Trusts	1q	1	30,000
Toronto Mortgage	1.25q	1	24,662
Traders Finance, p.	1.50q	1	36,801
Western Assur., c.	1.20s	1	18,000
Total			1,431,916
Grand Total			23,117,119

q—Quarterly. s—Semi-annually.
†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. *Arrears eliminated with this payment. ‡Net payment after corporate income tax. ▴On arrears.

Company Reports

Fairbanks-Morse

Canadian Fairbanks-Morse Co. had a steady rise in volume during 1940, F. W. Miller, president, states in the annual report.

Operating profits rose to $915,069 from $273,923 in 1939. After senior charges, net profit totalled $196,617, against $153,651 in the preceding year. Depreciation provisions of $51,470 was made in 1940, compared with $21,737 in 1939. Provision for income and "excess" profits tax amounted to $553,500, compared with $35,350. Earnings on the common stock were $1.62 and $1.06 a share.

Dividends of $1.25 a share were paid on the common stock in 1940, of which 75 cents was declared payable from 1939 earnings. In 1939 common dividends were paid from earned surplus.

Working capital at Dec. 31, 1940, totalled $2.9 millions, an increase of $30,143 over the preceding year. During 1940 there were 90 shares of the company's preference stock purchased for redemption, reducing authorized preference capital to 11,262 shares.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	915,069	273,923
Less: Exec. remun.	126,998	70,031
Legal fees	1,814	1,693
Directors' fees	3,600	......
Add: Invest. inc.	6,930	8,539
Subsid. divds.	12,000	......
Less: Depreciation	51,470	21,737
Inc. & profits tax	553,500	35,350
Net profit	196,617	153,651
Less: Pref. divds.	67,218	68,940
Common divds.	100,000	*
Surplus for year	29,399	84,711
Add: Prev. surplus	1,085,962	1,075,153
Pref. shares red.	32,555	......
Less: Pref. shs. red.	......	33,902
Common divd.	......	*40,000
Surplus forward	1,147,916	1,085,962

*Common dividend paid in 1939 out of previous year's earnings, deducted from surplus account.

Working Capital

	1940	1939
	$	$
Current assets	4,747,558	3,232,590
Current liabilities	1,867,278	382,453
Working capital	2,880,280	2,850,137

Balance Sheet Changes

	1940	1939
	$	$
Trade rec.	2,808,887	1,202,872
Inventories	1,148,105	1,196,051
Investments	59,281	121,593
Accts. payable	1,292,031	325,443

Aluminium Ltd.

Full impact of war on operations of Aluminium Ltd. is reflected in the 1940 financial statement. Gross revenues at $42.2 millions show substantial increase over the preceding year; net working capital improved by $10 millions, or 50%; investment in property increased $17 millions, and tax bill from $3.6 millions to $20.6 millions.

Income from all sources last year totalled $42.2 millions, as against $26.8 millions the year before. Provision for taxes increased by $17 millions to $20.6 millions, while special reserves set up aggregated $3.8 millions. Other charges were much the same as in 1939. Net profit for the year of $12.5 millions was equal to $16.09 a share on the capital stock. This contrasts with profits of $15.8 millions or $20.57 a share the year before.

Finance with Notes

Consolidated balance sheet shows improvement in net working capital from $21.3 millions to $31.6 millions. During the year the company retired all of the Aluminum Co. of Canada's outstanding debentures as well as the underlying subsidiary bonds. In addition, the company spent $17 millions on plant account which now stands on the books at $83.5 millions. In order to provide funds for the redemption of the bonds and for capital outlay, the company issued $39.6 millions of non-interest paying notes which, April 1, 1941, became 20-year 3% redeemable notes, due 1961. Principal and interest on these is abatable in certain circumstances as provided in the contracts under which they were issued.

Investment in and advances to subsidiary companies declined during the year from $9.9 millions to $7.4 millions, while investments in shares of other allied companies declined from $6.6 millions to $4.8 millions.

Inventories Much Larger

Inventories at the end of the year totalled $22.6 millions, as against $12.5 millions at the close of the previous year. Accounts receivable increased $4 millions to $21.3 millions; marketable securities from $575,193 to $3.3 millions and cash from $6.9 millions to $15.4 millions.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross revenue	42,181,123	26,769,980
Less: Exec. salaries	493,750	434,343
Legal fees	131,195	121,153
Directors' fees	13,622	18,088
Depreciation	3,919,307	3,300,230
Interest paid	130,925	636,975
Patent amort.	15,820	15,849
Taxes	20,563,633	3,659,751
Res. enemy assets	1,370,853	2,281,616
Inventory deprec.	2,447,033	......
Allied cos. inves. w/o	......	174,496
Net profit	12,462,231	15,799,927
Less: Pfd. divds.	526,113	487,158
Common divds.	5,955,280	3,146,824
Stock divd.	......	3,214,468
Retirement allow.	1,549,590	......
Surplus	4,431,247	8,951,477
Previous surplus	27,947,806	18,996,329
Surplus forward	32,379,053	27,947,806

Working Capital

	1940	1939
	$	$
Current assets	62,630,166	37,187,410
Current liabilities	31,021,347	15,884,825
Working capital	31,608,819	21,302,585

Hamilton Bridge

Hamilton Bridge Co. reports net profits for 1940 equivalent to 67 cents a share on its 244,250 common shares. This compares with a loss equivalent to 34 cents a share in 1939 and is the largest profit reported by the company since 1930. No dividends have yet been paid on the present common, issued in the 1939 reorganization.

F. W. Grant, chairman, states application has been made to have the structural steel fabricating industry classed as a depressed industry under the Excess Profits Tax Act. The result of this will have "considerable bearing on the total taxes payable."

Total volume of business handled last year "was very much improved in comparison with many preceding years," states Mr. Grant. Orders on hand at the end of 1940 are "very much larger than for many past years and class of work undertaken has been considerably broadened. The company is co-operating with the Government to the fullest extent possible in those lines of war work for which it is best fitted," he adds.

Working capital has improved over the past year by about $320,000 to $637,033. Bank loans are up about $90,000 and actual liquid position remains somewhat constricted. The company sold $100,000 of the First Narrows Bridge Co. bonds which it has held for some time, realizing a loss of $15,000 which has been charged to capital surplus. A balance of $227,827 of these bonds is still held, having a market value of $194,077. Sale of property in Toronto to Dufferin Shipbuilding Co. last year resulted in loss of $126,723. This has been charged to capital surplus, leaving this account showing a balance of $74,294.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net oper. profit	451,325	10,052
Add: Invest. income	4,076	4,472
Discounts earned	712	......
Fire loss recovered	......	843
Total earnings	456,113	15,367
Less: Exec. remun.	19,700	20,030
Directors' fees	3,700	1,000
Depreciation	99,352	76,094
Bad debts prov.	38,366	......
Misc. adjust.	3,420	987
Income & E. P. taxes	127,215	......
Net profit	164,360	*82,744
Less: Prev. deficit	82,744	......
Surplus forward	81,616	*82,744

*Loss or deficit.

Working Capital

	1940	1939
Current assets	1,844,004	1,209,136
Current liabilities	1,206,971	889,205
Working capital	637,033	319,931

Balance Sheet Changes

	1940	1939
	$	$
Accts. rec., less res.	639,743	335,798
Inventories	894,669	518,432
Dom. bonds	49,750	......
Narrows Bridge bds.*	227,827	329,062
*Market value	194,077	297,600
Fixed assets	1,688,466	1,841,844
Less: Depreciation	183,300	76,093
Bank loans & overdraft	692,946	601,790
Accounts payable	384,025	284,691

Ottawa Car

Good increase is reported by Ottawa Car & Aircraft Ltd. in its annual report for 1940. The company started 1940 with about $4 millions of orders on hand, Redmond Quain, president, states. There is now approximately $4.3 millions of orders on hand, after the company had completed nearly $2 millions in 1940.

Change in the course of war in April and May last year resulted in some orders being cancelled and there were several months of readjustment, during which the company was not able to work its plant continuously.

There are now approximately 1,650 employed, compared with about 200 a year ago last summer.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit*	260,811	149,744
Less: Exec. sals.	17,304	12,924
Directors' fees	7,400	1,160
Legal fees	2,475	1,416
	233,632	134,244
Add: Invest. inc., etc.	17,323	1,962
Net earnings	250,955	136,206
Less: Depreciation	135,975	41,325
Taxes	27,800	16,000
Misc. exps.	37,156	......
Bond sale loss	......	3,100
Net profit	50,024	75,781
Less: Dividends	36,000	47,116
Surplus for year	14,024	28,665
Add: Prev. surplus	81,732	54,317
Less: Prior adjusts.	15,441	1,250
Surplus forward	80,315	81,732

*After all manufacturing and administrative expenses, including overhead recoverable of $641,036.

Working Capital

	1940	1939
	$	$
Current assets	1,479,534	541,467
Current liabilities	1,442,304	496,113
Working capital	37,230	45,354

Balance Sheet Changes

	1940	1939
	$	$
Claims for war work	1,065,212	......
Accts. rec. (net)	114,034	243,265
Materials & supplies	155,954	28,050
Work in process	141,716	259,450
Constrct. war work exp.	102,424	......
Est. prof. on orders	184,398	64,476
Fixed assets (net)	591,132	451,847
Bank loan	822,814	141,707
Accts. payable	591,690	197,583
Common stock	981,931	632,000

Hiram Walker

Hiram Walker-Gooderham & Worts reports net profits for the three months ended Feb. 28 last, equivalent to $1.76 a share on the common after preferred dividends. This compares with $1.59 a share for the corresponding period of 1940.

For the six months ended February last, the first half of the company's year, net profits are equivalent to $3.77 a share on the common. This compares with $3.67 a share for the corresponding part of last year.

Consolidated Profit and Loss
Three Months Ended

	Feb. 28 1941	Feb. 29 1941
	$	$
Oper. profit	2,181,024	1,924,111
Add: Other income	174,266	113,856
Net earnings	2,355,290	2,037,967
Less: Depreciation	201,269	199,831
Deb. int., disc., etc.	128,787	130,393
Bank interest	21,028	16,907
Income & E. P. tax	585,577	400,782
Net profit	1,418,629	1,290,054

Six Months Ended

	Feb. 28 1941	Feb. 29 1940
	$	$
Oper. profit	5,193,243	4,476,645
Add: Other income	213,658	233,035
Net earnings	5,406,901	4,709,680
Less: Depreciation	407,519	402,776
Deb. int. & exp.	258,305	260,060
Bank interest	30,092	40,399
Income & E. P. tax	1,697,036	1,067,927
Net profit	3,013,949	2,938,518

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CANADIAN INDUSTRIES LIMITED

Selected as being of general interest to the public are the following extracts from the 30th Annual Report made by the Board of Directors to the Shareholders.

FINANCIAL REVIEW

The bulk of the demand for C-I-L products continued as in peace-time to originate with the major chemical-consuming industries and the higher level of general business activity which started in 1939 has increased the volume of sales in nearly all fields of the Company's operations. In spite of this greater activity the final results of the Company show an unfavourable comparison with the previous year and the factors chiefly responsible are taxes, increased delivered cost of raw materials, higher labour costs and the expense of complying with the various war-time regulations. As against higher cost of production only comparatively minor adjustments have been made in selling prices, with the result that the factory gross profit (selling price less factory cost) expressed as a percentage of sales is somewhat lower in 1940 than in the previous year. After making allowance for normal depreciation charges and contingencies and providing for taxes at prevailing rates, the total net income for 1940 amounted to $5,396,163 as compared with $6,232,143 in the previous year. Thus, with the imposition of excess profits tax and an increase in the income tax payable to the Dominion as well as to several provincial governments, the net income for the year was 13% lower than in 1939. Earnings per common share declined to $7.27 as against the substantially higher figure of $8.52 recorded in 1939.

Regular quarterly dividends at the rate of 7% per annum were paid on the cumulative preferred stock. Dividends declared on the common stock for 1940 were reduced to $7 per share from $7.50 per share in 1939.

NET CURRENT AND FIXED ASSETS—During 1940 the value of net current assets declined by $1,700,000 to $14,050,000 at 31st December, 1940, largely as a result of the expansion in plant facilities and the increased investment in subsidiary companies. The Company's working capital position, however, remains adequate to meet operating needs.

The investment in plant, buildings, equipment and land totalled $36,437,000 at 31st December, 1940, and showed an increase of $2,104,000 during the year under review. Over a period of years the Company has consistently expanded and improved its manufacturing facilities, these extensions being made to meet a long-term growth in demand or to achieve greater efficiency and better quality of product. Although further extensions during 1940 could hardly be justified by normal economic standards, nevertheless, in order to meet the war-time demands of the chemical-consuming industries, the Company authorized the expenditure of $4,017,000 of its funds on new plant construction and equipment. The total amount approved during 1940 included amounts for the erection of additional facilities to provide for the manufacture of the following new products: zinc chloride and sodium sulphite at Hamilton, nylon yarn at Kingston, and nylon monofilament at Brownsburg. The remainder of the expenditures approved increased the capacity of existing plants and made possible an expansion in the output of sulphuric acid at Hamilton, caustic soda at Windsor, and chlorine at Shawinigan Falls and Cornwall.

The mounting cost of Canada's war effort has had the inevitable result of increasing sharply the portion of profits that must be set aside to meet the Company's tax liabilities.

Excluding war exchange tax, sales taxes and customs duties, the total taxes paid or payable in respect to the year 1940 amount to $3,836,000 as compared with $1,688,000 in 1939.

OPERATING REVIEW

Ordinarily there are two major factors which affect the volume of the Company's sales—general business activity and the introduction of new products. During the last ten years the Company's volume of business has increased at an average rate of about 10% per annum but, as already mentioned, other factors have affected the year 1940, and the total value of sales of the Company is 20% higher than in the previous year.

The greater volume of sales in the Chemical Group, which accounts for over 55% of the increase in total sales, is attributable largely to the considerably higher level of activity in the pulp and paper and textile industries. The Cellulose Products Group made the next largest contribution to the increase in total sales, partly brought about by the expanded requirements of the automotive industry, and sales of the remaining two groups, made up for the most part of shipments to the mining and farming industries, achieved only a minor advance over the high levels of the previous year.

The dislocation of sources of supply of some raw materials and of imported chemicals has added to the problems that develop under war-time conditions, and the long-range programme of providing manufacturing facilities for the production of commodities formerly handled on a resale basis has had to be accelerated. Such developments can be undertaken only after intensive study by chemical and engineering specialists and for this purpose the Company is fortunate in having at its disposal not only its own specialized departments and laboratories, but also the accumulated experience in research made available to it through its association with Imperial Chemical Industries Limited and E. I. du Pont de Nemours and Company.

SALE OF MILITARY PRODUCTS—With certain very minor exceptions, sales in 1940 of military products to the Canadian and other governments of the British Commonwealth were made by the wholly-owned subsidiary, Defence Industries Limited, which is now acting as an agent for the Government in the construction of plants and the production of war materials. During the year less than 1% of the total sales of Canadian Industries Limited were made to Defence Industries Limited and additional sales amounting to slightly over 1% were made direct to various Canadian and British Government bodies. Sales of materials to many trades and industries engaged in war production also affected divisional operations in 1940.

DEFENCE INDUSTRIES LIMITED — This wholly-owned subsidiary company was formed in September, 1939, for the purpose of segregating direct war activities from the commercial operations of Canadian Industries Limited. By means of extensive staff re-arrangement and replacement it has been possible to transfer from the parent Company a large number of trained personnel, including those experienced in engineering and technical operations, to fill key positions in the new organization. The major activities of Defence Industries Limited have been the construction and subsequent operation of plants in Canada at the request of the Department of Munitions and Supply acting on behalf of the Government of the United Kingdom. The scope and urgency of these undertakings presented management problems of an unprecedented character and in all such matters the wide administrative and technical resources of Canadian Industries Limited have at all times been made fully available to the subsidiary company.

POLICY IN WAR-TIME

On a previous occasion the Board announced to shareholders its intention of including in annual reports not only facts of a statistical character but also descriptive material which might prove interesting to those wishing to be informed on policies followed by the Company. In this report, in addition to regular features, an attempt is made below to state briefly the conception this Company has of one important aspect of its duty to the nation in the special circumstances of the war period.

The Company shares the opinion that government with its vast responsibilities in time of war should expect and should receive the greatest possible co-operation from industry. Every endeavour should be made to assist those charged with administering the affairs of the nation in developing simple and effective methods of fulfilling their responsibilities. It is consistent with this viewpoint that in matters concerning the Company, provided proper regard is shown for the urgency of the present situation, questions of policy and principle should continue to be fully considered and discussed. The necessity of control is recognized together with the obligation to conform to the spirit and the letter of emergency requirements, and because in many industrial situations direction from within an organization can be more effective than regulation by outside agencies, certain practices have been instituted within the Company which broadly demonstrate the principles by which the Board has been guided. Among these are:

(a) immediate use or conversion of existing plant for the production of material essential to the war effort as soon as the demand becomes known;

(b) immediate expansion or re-arrangement of production to the fullest practicable extent in order to meet temporarily an emergency demand for essential war materials;

(c) careful selection of proper personnel from among those directing commercial operations to assist in the production of essential war materials;

(d) close co-operation with the Wartime Prices and Trade Board, particularly in regard to regulations affecting selling prices of the Company's products;

(e) intensive internal control to keep expenditures at the lowest possible level as a means of resisting increases in selling prices—in particular restraining any tendency to allow expenditures to increase prompted by the abnormally high level of taxation;

(f) energetic co-operation with nation-wide schemes to promote the sale of War Savings Certificates, to encourage advance payment of taxes, etc;

(g) utmost assistance to various government departments, boards, etc., by the administrative and technical staff, engineers, accountants, buyers and those experienced in matters of industrial relations.

It is not suggested that in the circumstances these practices are exceptional or different in character or extent from those generally followed by industrial concerns and the statement does not attempt to set forth all the items that might be included under this heading. Nevertheless, it is believed that expressed in this form it will be of interest to shareholders and others who may not be familiar with the variety of directions in which industry is contributing to the war effort.

EMPLOYEE RELATIONS

Under present conditions employment figures, while giving an indication of the general trend, fluctuate for reasons other than immediate industrial requirements, and comparisons with prior years in many large establishments are not therefore a reliable measure of actual growth. During 1940 the highest level reached in this Company was 5,900 employees, but some of these were later transferred to war production in government-owned plants and at 31st December the total number employed by the Company was 5,355, an increase of 23% over the total a year previously.

In addition there were at the end of the year 4,200 employees in Defence Industries Limited, including 900 trained men and women lent from the various divisions and departments of the parent Company. The other companies for the management of which Canadian Industries Limited is directly responsible showed an increase of 22% over 1939, the number employed being 1,500 at the end of 1940.

By the end of the year 153 employees who could be released from their duties had been granted special leave to serve in the armed forces. Under the Nationall Service Policy adopted by the Company these employees are receiving special pay, continuation of service credit, and pension and benefit coverage. Full pay is allowed for the first month after enlistment and a monthly allowance thereafter equivalent to the amount by which Company pay exceeds the sum of government pay and dependents' allowance or, when no dependents' allowance is payable, to the amount by which two-thirds of Company pay exceeds the government pay. In recognition of the commitment made to employees serving in the forces it is understood that all promotions and engagements since 1st September, 1939, are terminable at the end of the war.

Special payments were instituted towards the middle of the year for men attending military training camps, either with the Non-Permanent Active Militia or as drafted under the National Resources Mobilization Act. These payments are calculated on the same basis as the allowance to enlisted men under the National Service Policy and begin after the completion in camp of any vacation period for which the employee is eligible. In only a very few cases was it necessary to request postponement of the training period because the employee could not be spared when called.

The demands of a national emergency must be borne by employees as well as by management, and their combined response will be affected by the nature of the relationship which exists between them. In its constant endeavour to establish mutually satisfactory working conditions, the Company's management has met with the utmost goodwill and understanding on the part of the employees. This spirit has characterized all discussions during the year and the wide variety of new problems that arose from changed conditions have proved no impediment to the continuance of the satisfactory relationship which the Company earnestly seeks to encourage.

In July 1940, arrangements were completed which gave every employee the opportunity to authorize monthly deductions from earnings for the purpose of buying War Savings Certificates. Many employees not eligible for the 1940 Co-operative Savings Plan availed themselves of this arrangement. In connection with the campaign launched by the Government in February, 1941, for the enlistment of all wage earners as regular purchasers of War Savings Certificates, employees through their own committees in all works and offices organized a Company-wide canvass in a determined drive to enroll every employee as a monthly subscriber.

Alberta Legislator Urges Probe of Refunding Deal

From Our Own Correspondent

EDMONTON.—Alberta's 1938 attempt to arrange a $150 millions debt refunding deal with several United States' financial men, has again been aired in the Legislature. The Opposition demands a full investigation of what it termed a "hare-brained scheme."

Mayor A. Davidson, M.L.A. for Calgary, charged that two civil servants were members of a syndicate which expected to make "huge" profits out of the refunding plan. Chief figure in the deal was J. J. Sousa of Los Angeles and Calgary, who had an option to purchase provincial bonds amounting to $150 millions. The option lapsed on Feb. 28, 1939.

Officials Linked

Provincial Treasurer Solon Low told the house the government "had no knowledge whatever" of a syndicate which planned to reap rich rewards from any refunding plan. Linked with Sousa in the syndicate which Mayor Davison charged existed, were Dr. V. W. Wright, chairman of the Alberta Workmen's Compensation Board, and Dr. C. T. Galbraith, Calgary medical officer for the Unemployment Relief Bureau.

Mayor Davison charged the option held by Sousa actually was an agreement to buy outstanding bonds amounting to about $150 millions. The Government was to issue $150 millions of 2% provincial bonds, exempt as to principal and interest from any provincial taxes. The debentures were to run for a maximum term of 45 years.

"Fearful and Fantastic"

"For 10 months this province was tied up to a fearful and fantastic agreement," Mayor Davison said.

He said the private syndicate was to obtain 15% of Sousa's 50% share of profits in the refunding deal. He claimed a total profit of $60 millions was expected, half to go to the financiers of the deal and the syndicate to share 15% of Sousa's half.

Mr. Low defended the agreement as an honest effort to refund the public debt of Alberta and to arrange a schedule of maturities which it would be possible to meet. Spreading it over 45 years did not affect the Government's planning for implementing a Social Credit plan in the province, he said.

Personnel of Group

Mr. Low said the syndicate which was given an option on refunding the provincial debt was composed of Mr. Sousa, Frances A. Cochran, secretary to the Governor of California; Ralph L. Goetz, Los Angeles banker; Ila H. Sample, Los Angeles, retired attorney.

Investigation of the whole set-up and refunding negotiations has been asked along with a request that the Government—reveal total costs involved in the arrangement.

Alberta Cannot Meet Due Treasury Bills

Alberta will be unable to meet maturing treasury bills of $1.9 million, maturing April 15, and $2.4 million maturing June 1, Provincial Treasurer Low announces. He assumes these will be renewed by the Dominion Government.

Mr. Low's statement was in response to announcement by Finance Minister J. L. Ilsley that the province will have to furnish complete financial data so the Dominion can consider application for renewals.

The provincial treasurer stated that the province has absorbed the Dominion's share of direct relief in an effort to aid its war effort, payments of which would total about $800,000 in the next fiscal year. In addition it had paid $500,000 last year for seed grain advances in 1937.

Quebec to Appoint Director of Budget

From Our Own Correspondent

MONTREAL. — Director of the budget will be appointed by Quebec Province. His duty officially will be to limit extra-budget subsidies and to assure budgetary allocations to government departments are not exceeded.

The Dominion Government and Province of Ontario both have one.

Rogers-Majestic Corp. Approves Distribution

Shareholders of Rogers-Majestic Corp., at the recent special meeting, approved a distribution of $3 a share arising out of sale of assets as previously reported. At the same time, the name of the company was changed to Standard Radio Ltd. The company now operates radio station CFRB as its sole asset.

Position of Chartered Banks of Canada as of February 28, 1941, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable ●	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	19,694,095	59,508,511	18,867,938	....	323,421,078	436,760,119	89,303,959	2,414,227	8,493,636	11,108,994	....	14,685,682	3,969,923	732,077	39,000,000	36,000,000	1,063,960,843
Nova Scotia	7,578,213	12,805,014	731,427	....	65,654,879	159,220,429	43,125,728	2,135,026	1,572,320	1,175,548	....	7,875,683	782,143	364,568	24,000,000	12,000,000	339,020,982
Toronto	3,033,329	6,435,711	1,310,203	....	47,869,606	89,849,084	536,856	214,418	1,110,781	563,918	....	2,241,722	....	150,438	9,000,000	6,000,000	168,316,070
Provinciale	2,360,508	3,689,859	210,324	....	9,448,368	38,917,322	12,339	....	....	16,262	....	17,821	6,399	62,694	1,000,000	4,000,000	59,741,894
Commerce	16,112,986	29,959,616	24,216,827	....	190,529,499	327,326,000	61,114,030	205,845	3,467,859	5,537,219	....	21,964,312	....	69,173	20,000,000	30,000,000	730,503,371
Royal	21,172,335	32,081,763	14,026,100	....	284,045,583	350,950,935	207,368,965	15,156	2,662,171	7,602,937	15,079	22,001,770	1,087,292	731,325	20,000,000	35,000,000	998,761,318
Dominion	3,910,814	8,574,371	1,292,078	....	40,189,048	79,889,028	5,270,879	1,007,004	350,351	486,263	....	1,993,825	676,018	7,248	7,000,000	7,000,000	157,646,932
Nationale	3,915,677	8,202,792	2,836,749	....	34,617,093	99,315,514	340,048	1,450,292	82,589	361,134	....	387,507	42,133	146,811	5,000,000	7,000,000	163,698,344
Imperial	4,209,835	9,002,316	11,962,157	....	51,616,022	98,214,293	211,340	1,032,939	1,494,121	651,839	....	2,106,565	....	18,100	8,000,000	7,000,000	195,510,531
Barclay's (Canada)	450,670	4,642,915	....	....	4,038,361	6,584,323	2,774,242	158,665	3,104,549	716,619	....	838,945	....	....	750,000	1,500,000	25,559,291
Total	82,439,057	174,902,868	75,453,803	....	1,051,429,537	1,687,027,047	410,058,386	8,633,572	22,338,377	28,220,733	15,079	74,113,832	6,563,908	2,282,334	133,750,000	145,500,000	3,902,728,576

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	487,943	94,113,019	19,694,695
Nova Scotia	15,000,000	12,000,000	12	2,622,998	25,535,000	7,578,213
Toronto	10,000,000	6,000,000	10	426,283	16,441,188	3,137,194
Provinciale	5,000,000	4,000,000	6	171,290	6,444,505	2,371,838
Commerce	50,000,000	30,000,000	8	1,357,213	47,642,819	16,460,747
Royal	50,000,000	35,000,000	8	1,393,072	63,120,555	21,172,335
Dominion	10,000,000	7,000,000	10	692,380	11,034,795	4,103,434
Nationale	10,000,000	7,000,000	8	273,795	15,468,511	3,915,677
Imperial	10,000,000	7,000,000	10	536,382	12,151,461	4,326,285
Barclay's (Canada)	1,500,000	1,500,000	....	10,322	2,212,622	450,670
Total	211,500,000	145,500,000	....	7,971,678	294,164,495	83,211,158

▲Of this amount, $43,885,605 represents deposits in Canada in currencies other than Canadian.

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,874,857	90,849	21,097,591	82,020,133	590,065	449,696	35,988,135	141	7,240,438	48,891,756	277,732,804	208,283,900	19,360,744	14,984,547
Nova Scotia	396,195	1,039,162	5,935,035	16,100,347	165,046	5,931,241	8,736,071	....	7,880,607	12,592,492	54,894,860	72,335,817	11,650,729	735,640
Toronto	290,988	....	3,415,919	10,662,565	84,765	54,116	6,420,701	....	110,476	2,063,335	31,333,856	43,984,165	4,053,908	....
Provinciale	298,573	....	1,737,969	3,272,682	94,920	34,670	1,971,807	....	29,016	532,708	2,653,281	13,405,343	13,172,637	....
Commerce†	1,074,922	136,253	11,144,346	33,310,125	335,307	1,232,668	21,660,573	299,550	5,481,764	18,694,041	107,629,941	161,699,837	10,022,838	27,487,763
Royal‡	1,887,243	1,907,845	17,930,088	40,959,922	592,066	20,959,847	37,121,143	20,345	18,050,513	46,408,747	208,457,337	170,648,098	6,807,273	6,010,853
Dominion	315,258	88	2,418,939	8,239,249	160,670	102,652	6,062,041	9	821,296	3,605,014	20,103,033	27,148,486	1,969,878	222,500
Nationale§	663,027	....	4,756,554	11,059,869	153,415	56,017	5,599,437	994,965	3,519	1,217,442	19,563,438	32,605,123	17,485,628	9,673
Imperial	430,452	....	4,579,145	5,324,204	161,010	58,927	7,649,380	642,485	81,919	2,558,388	44,800,012	38,964,252	7,670,791	....
Barclay's (Can.)	2,651	....	61,896	2,125,665	4,800	3,350	217,885	802,202	1,709,346	2,821,520	4,262,651	8,378,869	1,000	....
Total	7,214,166	3,174,200	73,077,482	213,074,761	2,342,064	28,883,184	131,427,173	2,759,697	41,388,894	139,985,443	771,431,213	777,453,890	92,195,426	49,450,976

NAME OF BANK	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	26,522,544	2,931,143	15,622,885	215,906,735	18,368,755	1,588,122	32,940,556	1,023,395	473,835	461,180	13,900,000	1,073,342	1,974,855	1,066,080,716
Nova Scotia	10,649,001	3,413,653	178,144	91,373,939	14,660,122	686,247	3,458,976	410,898	....	81,959	6,253,551	449,170	2,488,596	340,353,195
Toronto	2,668,865	1,039,835	....	54,994,875	....	....	2,893,370	64,226	....	8,273	3,262,232	187,406	....	171,435,604
Provinciale	1,503,142	2,967,354	....	12,773,487	....	22,070	2,346,840	80,030	493,677	292,635	2,078,981	140,978	82,878	60,003,800
Commerce†	17,344,134	8,187,890	8,325,654	216,828,504	16,797,877	7,497,196	12,818,154	1,622,431	2,322,400	1,088,917	14,218,900	847,000	4,202,830	734,278,190
Royal‡	31,460,675	7,302,948	13,267,235	224,902,383	31,672,925	1,102,831	18,379,552	1,782,946	2,000,606	476,182	14,457,235	1,340,000	3,840,219	1,001,959,464
Dominion	1,632,193	1,621,213	1,288,517	72,142,192	1,330,805	701,339	652,520	186,064	29,226	48,530	5,489,642	284,580	200,302	158,729,932
Nationale§	4,393,845	3,594,714	....	48,798,823	....	470,323	6,629,070	182,826	1,693,865	589,849	4,897,097	261,767	237,724	164,296,526
Imperial	57,000	2,092,198	....	67,033,413	....	513,889	4,353,881	400,646	68,590	315,044	5,754,237	290,261	97,423	196,576,124
Barclay's (Can.)	....	161,125	....	3,890,995	....	....	....	6,505	....	....	450,000	20,556	....	25,579,968
Total	97,231,399	33,932,073	38,682,435	1,006,645,346	132,830,274	12,582,217	84,473,919	5,759,967	7,112,199	3,562,559	70,763,896	4,837,050	13,125,347	3,919,290,189

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The assets and liabilities of the Royal Bank of Canada (France) are not included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale (France) are not included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $74,113,832 letters of credit outstanding as shown in liabilities.

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 7

Range 1941 High	Low	Div R'te $	Apr.5 Y'ld %		Sales	Last Mar. 31	Week end. Apr. 7 H	L	Cl'se
				A					
.90	.55	.	...	Abitibi	2500	.80	.80	.70	.80
8	4	.	...	Do. pref. 6%	3155	7½	7	6	6½
12⅞	10	.	...	Do. pref. 7%	....	(— bid 12½ asked)			
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	10.8	Do. pref.	35	52	60	60	60
12	11½	80+20c	8.7	Agnew Surp.	40	12	11½	11½	11½
108	105½	7	6.6	Do. pref.	....	(106 bid — asked)			
1.50	.90	.	...	Alta. Pac. Gr.	....	(.75 bid 1.60 asked)			
30	24½	.	...	Do. pref.	....	(20 bid 26 asked)			
10	7	.	...	Algoma Steel	10	8	8½	8½	8½
97½	89½	2.50	...	Do. pref.	20	89½	92	92	92
115	105	8	7.4	Aluminium	356	110½	110	106	107
120	117	6	5	Do. pref.	150	117	119	119	119
7½	6	.	...	Amal. Electric	25	6	6½	6½	6½
§43	34½	60c	...	Amer. Cyn. B.	....	(— bid — asked)			
46	45½	2.75	6	Ang. Can. Tel. p	....	(— bid 48 asked)			
18	14⅞	60+60c	7	Asbestos	78	18	18	16	16
16	14½	1	6.7	Assoc. Brew.	....	(15½ bid 16 asked)			
110	108½	7	6.4	Do. pref.	....	(108½ bid — asked)			
•2	2	..	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
§24	24	♦48c	...	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg.	....	(100 bid — asked)			
				B					
147	140	8	5.5	Bk. Can. Nat.	....	(145 bid 150 asked)			
195	171	8	4.6	Bk. Montreal	52	175	175½	175	175
285	277	12	4.3	Bk. N. Scotia	66	280	280	280	280
250	244½	10	4	Bk. Toronto	3	247	247	247	247
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.55	.	...	Barker's Bread	....	(.35 bid 1.00 asked)			
22	22	2.50	11.3	Do. pref.	5	..	22	22	22
13	10⅞	1	8.5	Bathurst Pr.	229	11½	12	11½	11⅞
2½	1½	.	...	Do. (B)	100	2½	2½	2½	2½
2½	2	.	...	Beath & Sons	....	(2½ bid 4½ asked)			
8	4½	.	...	Beatty Bros.	75	5	5½	5½	5½
102½	101	6	5.8	Do. pref.	....	102½ bid 104 asked			
§90	88	7	7.9	Do. 2nd pref.	....	(85 bid 90 asked)			
10	6½	.	...	Beauharnois	2520	6½	9½	7	9
80	80	4	5	Belding Cort.	....	(— bid 90 asked)			
127	127	7	5.5	Do. pref.	....	(124 bid 136 asked)			
160½	153½	8	5.1	Bell Telephone	409	154½	157	154½	155½
6½	5	15c	...	Bertram & Sons	....	(6½ bid — asked)			
8⅞	7⅞	60c	7	Biltmore Hats	15	7⅞	8½	8½	8½
6	5	.	...	Blue Ribbon	40	5½	5½	5½	5½
37½	35	2.50	7.2	Do. pref.	15	35	35	35	35
20⅞	20	1.30	6.3	Brant. Cord. pf.	....	(21½ bid 22 asked)			
7⅞	5	.	...	Brazilian Tr.	1617	6½	6½	5⅞	5⅞
5½	3½	50+10c	...	Brew. & Distil.	77	4½	4½	4	4½
§6½	4	30c	7.5	Bright, T. G.	....	(6½ bid — asked)			
§90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
18⅞	15½	1	5.6	Brit. Amer. Oil	1122	17⅞	17⅞	16⅞	17½
12½	10	.	...	B. C. Packers	31	10	11½	11	11
26½	22½	2	8.5	B. C. Power A.	195	23½	24	23½	24
1.50	1.00	.	...	Do. (B)	....	(— bid — asked)			
5½	4½	.	...	Bruck S. Mills	200	5½	5	5	5
15⅞	13⅞	70+10c	5.3	Building Prod.	280	14½	15½	14⅞	15
10⅞	7⅞	60c	7.5	Burlington St'l	....	(8½ bid 9⅞ asked)			
				C					
§70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102½	101	6	5.9	Do. pref.	5	102½	102½	102½	102½
2½	2	.	...	Canada Bread	....	(2 bid 2½ asked)			
100	95	5	5	Do. pref.	20	100	100	95	99
40	35	2.50	7.2	Do. pref. B.	20	35	35	35	35
4⅞	4	40c	10	Canada Bud	25	4	4	4	4
7	4½	.	...	Canada Cement	820	6½	6⅞	5⅞	5⅞
100	94	5	5	Do. pref.	120	98½	100	98½	99
5½	5⅞	10c	...	Can. Cr. Stone	....	(4½ bid — asked)			
105½	102⅞	5	4.8	Canada Cycle, p	....	103⅞ bid 106 asked			
27	23½	1.50	5.8	C. & D. Sugar	282	24½	26	24	26
18	15	1.50	9.4	Can. Forg. (A)	50	15	16	16	16
§22	13	♦1.50	8.8	Do. (B)	....	(— bid 18 asked)			
§40	40	4.50	...	Can. Iron	....	(32½ bid — asked)			
70	70	3	...	Do. pref.	....	(72 bid — asked)			
§390	390	20	5.1	Canada Life	....	(380 bid — asked)			
§4	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
§32	25	♦3.50	...	Do. pref.	....	(98 bid — asked)			
39	33⅞	2+50c	6.9	Can. Malting	15	35½	36	36	36
8⅞	6	1	...	Can. Nor. Pr.	115	8½	8½	8½	8½
99	94	7	7.4	Do. pref.	3	97½	94	94	94
87½	77	3+1	5.2	Can. Packers	20	80	77	77	77
§.25	.25	.	...	Can. Paving, c.	....	(— bid .25 asked)			
136	126	8	6.2	Can. Perman.	31	128	130	128	128
9	8	♦1	...	Can. Starch	....	(9 bid — asked)			
§110	109	7	6.4	Do. pref.	....	(108 bid — asked)			
5½	3	.	...	Can. Steamsh's.	446	4	4	3½	3½
22⅞	17	2.50	13.7	Do. pref.	393	18	18½	17½	17½
8	6½	40c	5.9	Can. Vinegars	35	6⅞	6⅞	6⅞	6⅞
61	54	4	6.9	Can. W. Cable	5	58½	58	58	58
23	17⅞	♦1.25	6.8	Do. (B)	....	(18½ bid 25 asked)			
107	107	6.50	6.1	Do. pref.	....	(106½ bid — asked)			
⅞	⅞	.	...	Can. Bakeries	....	(⅛ bid ⅜ asked)			
22	20	♦3	...	Do. pref.	50	20	22	22	22
163	149	8	5.3	Can. Bk. Com.	102	149	152	149	150
1.00	.50	.	...	Can. Breweries	2300	.60	.80	.50	.75
25	20	3	13.3	Do. pref.	136	22	23	21	22½
36	34½	1.50+50c	6	Can. Bronze	....	(34½ bid 35 asked)			
105	103	5	4.8	Do. pref.	....	(105 bid 107 asked)			
6½	5	50c	...	Can. Canners	80	5½	5½	5½	5½
20	18½	1+10c■	5.6	Do. 1st pfd.	160	19½	19½	19½	19½
10	9	60+10c■	7.6	Do. 2nd pfd	346	9⅞	9½	9	9½
10	6	.	...	Can. Car & F'y	120	6½	6⅞	6½	6⅞
27½	20⅞	44c	...	Do. pref.	70	22½	22½	21½	21⅞
29	21½	1	4.5	Can. Celanese	165	23	23	22	22
124	113	7+60c■	..	Do. pref.	90	114	114	113	113½
23	22½	1	4.3	Do. Rights	....	(23 bid — asked)			
19	15	1	5.6	Can. Convert.	25	18	18	18	18
106⅞	90	4+2	5.6	Can. Cottons	160	105	106⅞	106	106⅞
116	105	6	5.2	Do. pref.	9	115	116	115	115
22	15½	1.50	7.9	Can. Dredge	90	20	20	19	19
101	99½	6	6	Can. Fairb. pf.	....	(97 bid — asked)			
11	9	1.40	...	Can. For. Inv.	365	10½	11	10½	10½
105	104	8	7.7	Do. pref.	....	(105 bid — asked)			
220	215	8	3.7	Can. Gen. Elec.	....	(210 bid — asked)			
8½	7	50c	7	Can. G. Inv.	....	(7½ bid 7⅞ asked)			
3	1½	♦15c	...	Can. Ind. Alc.	150	2⅞	2⅞	2½	2½
2⅞	1⅞	♦15c	...	Do. (B)	250	1⅞	2⅞	2	2⅞
208	180	7	3.8	Can. Indust. B.	14	181	183½	181½	183½
176	168	7	4.1	Do. pref.	....	(169 bid — asked)			
§.30	.10	.	...	Can. Int. I. Tr.	....	(.25 bid — asked)			
50	41	2	4	Do. pref.	....	(40 bid 50 asked)			
14	12	1	7.4	Can. Lt. & Pr.	9	14	13½	13½	13½
9	7	.	...	Can. Locomo.	18	8⅞	8½	8½	8½
.95	.70	4c	...	Can. Marconi	200	.80	.85	.80	.85
17	12½	50+50c	7.2	Can. Oil	35	14	14	13	13
121	118	8	6.8	Do. pref.	....	(118 bid 123 asked)			
6½	4½	.	...	Can. Pacific	14982	5½	5⅞	5½	5½
.50	.10	.	...	C. Pr. & Pa. In.	....	(.25 bid .50 asked)			
2½	1⅞	.	...	Do. pref.	....	(2 bid 3 asked)			
3½	2	.	...	Can. Vickers	100	2½	2½	2½	2½
15	10	.	...	Do. pref.	....	(12 bid 14 asked)			
9	9	1	...	C. Wallpaper A.	10	9	9	9	9
9	8	1	...	Do. (B)	....	(8 bid 10 asked)			
45	42	‡1.37½	..	Can. West'ho'se	10	44⅞	45	45	45
4	2⅞	15c	...	Can. Wineries	....	(3⅞ bid 4 asked)			
20½	13⅞	1.50	7.8	Can. Wire Box	200	19½	19½	18⅞	18⅞
1.25	1.00	.	...	Capital Estates	....	1.00 bid 1.15 asked			
119	119	5	4.2	Carnation, pfd.	....	(115⅞ bid — asked)			
9½	7⅞	50c	...	Catelli Food	....	(7½ bid 10 asked)			
10	9½	75c	7.5	Do. pref.	35	10	10	10	10
2	2	.	...	Celtic Knit	....	(2 bid — asked)			
155	155	8	5.2	Cent. Can. L'n.	....	(—bid 160 asked)			
92	90	4	4.4	Chart. Trust	....	(— bid 90 asked)			
.32	.15	.	...	Chem. Research	....	(.15 bid .35 asked)			
.40	.30	.	...	City Gas & El.	....	(.35 bid .40 asked)			
.10	.10	.	...	Claude Neon	....	(— bid .10 asked)			
1.50	1.25	12c	..	Coast Brew.	....	1.30 bid 1.35 asked			
6½	4½	.	...	Cockshutt Plow	70	5	5	4½	4½
1.95	1.50	15c	...	Comm. Alcohol	275	1.80	1.95	1.90	1.95
6	5	40c	8	Do. pref.	100	5½	5½	5½	5½
4	4	♦40c	..	Conduits Nat.	....	(3½ bid 5½ asked)			
14	9	‡40c	...	Cons. Bakeries	125	9½	9½	9	9
.03	.03	.	...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
7½	7½	75c	...	Do. pref.	....	(7½ bid 14 asked)			
4	2½	.	...	Cons. Paper	4153	3½	3½	3	3½
4	3	.	...	Cons. Press	40	3⅞	4	3⅞	4
§75	.55	♦4.75	...	Cons. Sand, pf.	....	(75 bid 82½ asked)			
39½	34	♦1+1.25	6.2	Cons. Smelt.	857	35	37	35½	36
145	128	8	6	Consumers' Gas	121	130	134	132	134
40	30	3.50	..	Corr. P. Box, p.	....	(40 bid 67½ asked)			
25	22	1.20+15c	...	Cosmos Imp.	10	24½	24	24	24
31	27½	2	7	Crown Cork	....	(27½ bid 31 asked)			
1½	1½	.	...	Crown Dom. Oil	....	(1½ bid — asked)			
31	28	3	10.7	Crow's N. Coal	....	(30½ bid 33 asked)			
1.05	.60	.	...	Cub Aircraft	1130	.70	.80	.60	.60
				D, E					
10½	9⅞	1	...	David & Fre. A	....	(11 bid 12 asked)			
1.60	1.40	.	...	Do. (B)	....	(— bid 2 asked)			
8½	7	.	...	de Havilland	....	(7 bid 11½ asked)			
75	75	♦7	...	Do. pref.	....	(80 bid — asked)			
1.50	1.00	.	...	Disher Steel	95	1.00	1.00	1.00	1.00
10	10	♦1.50	..	Do. pref.	....	(10 bid 14 asked)			
28½	21	2.22	9.2	Distill-Seagram	1129	23½	22	21	21⅞
97½	93	5	5.3	Do. pref.	....	(— bid 93 asked)			
§39⅞	39⅞	♦1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(70 bid 84 asked)			
200	185	10	5.3	Dom. Bank	....	189½ bid 198½ asked			
27½	22½	1.20	4.6	Dom. Bridge	127	26	26	25	25½
21	17⅞	1.50	7.9	Dom. Coal, pf.	50	18	19	19	19
28	25	.	...	Dom. Engineer.	....	(20 bid 25 asked)			
23½	17½	1	5.2	Dom. Foundries	235	18½	19½	18⅞	18⅞
107	105	6	5.7	Do. pref.	....	(105 bid 110 asked)			
126	115	5	4.2	Dom. Glass	50	115	118	118	118
155	148½	7	4.7	Do. pref.	35	155	150	150	150
29½	29½	1.20+40	5.4	Dom. Oilcloth	....	(28 bid 29⅞ asked)			
.45	.45	.	...	Dom. Scot. Inv.	....	(.45 bid .80 asked)			
25	25	♦2.25	...	Do. pref.	....	(25 bid 27 asked)			
1⅞	1⅞	.	...	Dom. Square	30	1⅞	1⅞	1⅞	1⅞
9⅞	7½	.	...	Dom. St. & C.B.	1065	8	8	7½	7⅞
5½	3½	.	...	Dom. Stores	665	4½	5½	5	5
5½	3⅞	.	...	Dom. Tar & Ch.	945	4½	4⅞	4⅞	4⅞
88	83½	5.50	6.3	Do. pref.	30	87	85	85	85
83	72	5	6.7	Dom. Textile	51	75	75	74⅞	75
155	140	7	...	Do. pref.	....	(150 bid — asked)			
1.75	.75	.	...	Dom. Woollens	9	1.50	1.15	1.00	1.15
8	6	60c	...	Do. pref.	80	7	7	6½	6½
5⅞	3½	.	...	Donnacona P.A.	185	4½	4½	4	4
5½	3	.	...	Do. (B)	25	3⅞	3⅞	3⅞	3⅞
5½	4	.	...	Dryden Paper	30	4½	5	4½	4½
.50	.50	.	...	East Koot. Pr.	....	(— bid — asked)			
10	7	.	...	Do. pref.	....	(8 bid — asked)			
.65	.25	.	...	East Dairies	....	(.50 bid — asked)			
9	5½	.	...	Do. pref.	185	7	8	7	7
13½	10	1	8.3	East Steel	200	10	12	12	12
§6½	6½	.	...	East Theat.	....	(— bid — asked)			
3	2½	.	...	Easy Washing	....	(2½ bid 3 asked)			
23	22	1.37½	..	Economic Inv.	....	(21½ bid 26 asked)			
8	6⅞	20c	...	Electrolux	....	(6⅞ bid 7½ asked)			
3	2	.	...	Enam. & Heat.	....	(1 bid 2 asked)			
29	23⅞	2.50	10	English Electric	60	25	25	25	25
5⅞	3	.	...	Do. (B)	29	5⅞	4	3	3
5⅞	5	15c	...	Equitable Life	....	(5½ bid 5⅞ asked)			
				F, G					
3	2	.	..	Fairchild Air	50	2½	2½	2½	2½
20	18	1	5.6	Fam. Players	....	(17½ bid 21 asked)			
28	24½	1.50+25c	6½	Fanny Farm.	290	26	26½	25	26
6	2½	.	...	Fleet Aircraft	340	4½	4½	3⅞	3⅞
§1.50	.75	.	...	Fleury Bissell	....	(.20 bid .25 asked			
15	13	.	...	Do. pref.	5	13	14	14	14
16½	14⅞	1	6.2	Ford Motor A.	681	16	16½	15⅞	15⅞
15	15	1	6.7	Do. (B)	....	(15½ bid — asked)			
§.20	.05	.	...	For. Pr. Secs.	....	(— bid — asked)			
12½	10⅞	50c	...	Foundation Co.	110	12	12	11⅞	11⅞
9	4½	.	...	Fraser Cos.	6	7	7½	7½	7½
10½	7	.	...	Do. Vot. Tr.	159	8½	8½	8½	8½
§.50	.50	.	...	Freiman	....	(— bid — asked)			
42	41	.	...	Do. pref.	....	(40 bid — asked)			
9⅞	6½	80c	9.6	Gatineau Pwr.	181	7⅞	8⅞	7⅞	8
90	79	5	6.2	Do. pref.	66	79	80	79	80
95½	85	5.50	6.1	Do. 5½% pref.	5	85	90	90	90
1.25	.25	.	...	Do. Rights	10	.50	.25	.25	.25
6½	4½	.	...	Gen. St. Wares.	135	5	5	4⅞	5
94	88	7	...	Do. pref.	80	88	90	88	90
80	67⅞	2.50+1.50		Goodyear Tire	40	68	69	69	69
56	53	2.50	4.7	Do. pref.	65	54⅞	54⅞	53	53½
•50	50	1	...	Gould Pumps, p	....	(— bid — asked)			
4	2½	.	...	Gt. Lakes Pap.	....	(2⅞ bid 3½ asked)			
§29	18½	25c	..	Do. pref.	....	(— bid 21 asked)			
3½	1⅞	.	...	Do. Vot. tr. c.	18	3½	3½	3	3
19⅞	14½	25c	..	Do. Vot. tr. p.	109	17½	17½	16	17½
5	1⅞	.	...	Gt. W. Saddlery	300	4½	4½	3⅞	4½
30	25	2.25		Do. pref.	....	(30 bid 35 asked)			
11½	10⅞	60c	5.6	Greening Wire	....	(10 bid 11½ asked)			
§1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	2½	.	...	Gurd, Chas.	....	(2½ bid — asked)			
§107½	106½	7	6.5	Do. pref.	....	(— bid 106 asked)			
3½	2⅞	.	...	Gypsum, Lime.	115	3⅞	3⅞	3	3½
				H, I					
§21½	21½	1	...	Halifax Fire	....	(— bid — asked)			
5½	3	.	...	Ham. Bridge	317	3½	4	3⅞	4
36	34½	2+1.50▲	5½	Ham. Cot., pf.	....	(35½ bid — asked)			
.75	.75	.	...	Ham. U. Theat.	....	(.50 bid 1.00 asked)			
72	65	‡1.25	...	Do. pref.	5	72	72	72	72
3½	2½	20+5c	...	Harding Carpet	....	(2⅞ bid — asked)			
.25	.25	.	...	Hillcrest Coll.	....	(— bid .25 asked)			
2½	2½	.	...	Do. pref.	20	2½	2½	2½	2½
10½	8½	50c	5.3	Hinde & Dauch	130	9⅞	9⅞	9	9
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
§40	20	.	...	Do. pref.	....	(35 bid 60 asked)			
17½	14	2	13.8	Honey Dew	10	14½	14½	14½	14½
14⅞	10½	.	...	H. Smith Pap.	25	11½	11½	11½	11½
101	98½	6	6	Do. pref.	....	(—bid 100 asked)			
18	14½	1	6.7	Humberstone S.	....	(14 bid 15½ asked)			
4½	3½	.	...	Hunts (A)	25	4	4½	4½	4½
5	2	.	...	Do. (B)	....	(4½ bid 7 asked)			
56	52	4	7.2	Huron & E. Mt.	....	(54 bid 63½ asked)			
9	8	80c	...	Do. 20% pd.	....	(9 bid 11 asked)			
.80	.80	♦20c	...	Hydro Electric.	....	(.80 bid 1.50 asked)			
205	192	10	5	Imperial Bank	27	197	199	198	199
10½	9	50c	5.1	Imperial Oil	3160	9½	9⅞	9⅞	9⅞
14	11	40+22½c	5	Imperial Tob.	1212	12½	12½	12	12⅞
8	7	6%	4	Do. pref.	....	(7 bid 7½ asked)			
16	12½	♦1.75	..	Indust. Accept.	30	13½	13	13	13
§36	25	3	..	Inter-City Bak.	....	(20 bid 36 asked)			
50	50	3+1	..	Inter'c Coal	....	(40 bid — asked)			
§120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16⅞	15	1.50	10	Inter. Bronze	....	(14⅞ bid — asked)			
25	23	1.50	6.4	Do. pref.	70	23	24	23	24
.25	.25	3c	..	Int. Coal & C.	....	(.25 bid .40 asked)			
9½	6	.	...	Int. Metal Ind.	117	7	7⅞	7½	7⅞
105	93	6	6	Do. pref.	10	100	100	100	100
100	95	6	6	Do. pref. A.	10	96	100	100	100
115⅞	114	5	4.3	Int. Mill., pf.	....	(113 bid — asked)			
36⅞	31	2	5.8	Int. Nickel	3109	34½	35	34	34⅞
2½	2	.	...	Int. Paints	....	(2 bid 3½ asked)			
§18	11	1+25c▲	..	Do. pref.	....	(13½ bid 20 asked)			
16½	14½	.	...	Int. Pap. & P.	....	(— bid 16½ asked)			
74⅞	69½	5+1.25▲	7	Do. pref.	5	70	71½	71½	71½
15⅞	13⅞	1	6.9	Int. Pete.	1496	13½	14½	13⅞	14½
3½	2½	.	...	Int. Power	105	2⅞	2½	2½	2½
89	84	7	8.2	Do. pref.	72	88	85½	84½	85½
•11⅞	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4 asked)			
7	5	.	...	Int. Util. (A)	....	(6½ bid — asked)			
.25	.15	.	...	Do. (B)	525	.25	.20	.20	.20
				J, K, L					
13	13	68c	5.2	Jam. Pub. Ser.	50	..	13	13	13
§135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
11	8	1	...	Kelvinator	....	(9½ bid 11 asked)			
11	6⅞	.	...	L. St. John Pr.	56	8⅞	9½	8½	8½
1.00	.65	.	...	Lake Sulphite	....	(— bid .90 asked)			
16	11½	♦1	...	Lake of Woods	205	13	13	12⅞	12½
113	110	7	6.4	Do. pref.	40	110	110	110	110
53	44	4	8.9	Landed Bank	....	(44 bid 48 asked)			
12	10	70+12½c	..	Lang, J. A.	75	10½	10½	10	10
•3½	2½	.	...	Langley's	....	(— bid 1 asked)			
24½	15	2	...	Do. pref.	55	22	23	22	22
10½	9½	80c	8.2	Laura Secord	240	9⅞	9⅞	9⅞	9⅞
12	6½	.	...	Legare, pref.	98	8	9	8½	9
3½	3	♦15c	...	Levy Bros.	....	(2⅞ bid — asked)			
6½	4½	.	...	Lindsay, C. W.	507	6½	6½	6½	6½
50	50	.	...	Do. pref.	....	(50 bid 55 asked)			
27	24	1+25c	5	Loblaw (A)	151	25	25½	24½	25
26	22	1+25c	5.4	Do. (B)	54	22⅞	23½	23	23
				M					
1.00	1.00	.	...	Mackenzie Air	350	1.00	1.00	1.00	1.00
2	2	.	...	Mackin. Steel	....	(3½ bid 4 asked)			
55	55	1.25	...	Do. pref.	....	(— bid 75 asked)			
15⅞	11	.	...	Maclaren Pr. p.	325	14½	14	14	14
8⅞	7	.	...	M. L. Gardens	....	(8½ bid 9 asked)			
7½	6	70c	10.8	Do. pref.	....	(6½ bid 7½ asked)			
2⅞	1½	.	...	Maple Leaf M.	170	1⅞	1⅞	1⅞	1⅞
4⅞	2½	.	...	Do. pref.	6	3	3	3	3
16½	16½	70+10c	..	Maritime Tele.	....	(16½ bid — asked)			
§17½	16	70c	4.4	Do. pref.	....	(16⅞ bid — asked)			
14⅞	14⅞	.	...	Marcus Loew's.	....	(15½ bid — asked)			
•100	100	7+1.75▲		Do. pref.	....	(— bid — asked)			
3½	2	.	...	Massey-Harris	375	2½	3½	2⅞	2⅞
37	25	.	...	Do. pref.	220	33	34½	33½	33½
5⅞	4	.	...	McColl Fron.	230	4½	4½	4½	4½
98	93	6	6.4	Do. pref.	15	94	94	94	94
1.25	.75	.	...	Melchers	....	1.00 bid 1.50 asked			
5½	5	30c	...	Do. pref.	100	5½	5½	5½	5½
•1½	1½	.	...	Mercantile Tran	....	(1⅞ bid — asked)			
•5	5	6%		Do. pref.	....	(4⅞ bid — asked)			
7½	4½	.	...	Mercury Mills	30	5	4½	4½	4½
47	45	2.50	5.6	Mitchell, J. S.	10	47	45	45	45
9½	7½	♦50c	...	Mitchell, Robt.	49	9	8½	8	8½
16⅞	15	80+40c	7½	Mod. Contain.	....	(15½ bid 16 asked)			
98	98	5.50	5.6	Do. pref.	....	(— bid 100 asked)			
§6	2	.	...	Monarch Knit.	....	(2 bid — asked)			
75	75	7	...	Do. pref.	....	(50 bid 69½ asked)			
64	55	4	6.7	Montreal Cot.	....	(60 bid — asked)			
118	113	7	6.2	Do. pref.	5	113½	113½	113½	113½
1.00	.30	.	...	Mont. Is. Pr.	....	(.25 bid — asked)			
29½	21⅞	1.50	6.4	Mont. L. & Pr.	6182	22⅞	23½	21⅞	22
50½	49	.	...	Do. Notes	10	49½	49	49	49
§15	15	1.25	...	Montreal Loan	....	(15 bid — asked)			
§.85	.16	.	...	Mtl. Refrig & S	....	(.50 bid .75 asked)			
§10½	6	1.25	...	Do. pref.	....	(9½ bid 11½ asked)			
30	25	3.20	...	Montreal Tele.	....	(26 bid 30 asked)			
52	20	.	...	Montreal Trams	163	30	30½	30	30
47½	41	2+60c	5½	Moore Corp.	579	45	45⅞	45	45½
188	179	7	3.9	Do. pref. (A)	....	179½ bid 183 asked			
279	266	7	2.6	Do. pref. (B)	18	268	269	268	268
.05	.05	.	...	Muirheads	....	(— bid .15 asked)			
§1	1	.	...	Do. pref.	....	(— bid — asked)			
				N, O					
27½	23½	2	8	Nat. Breweries.	191	25½	25½	24⅞	24⅞
38⅞	35	1.75	4.9	Do. pref.	120	36	37	36	36
5	3½	.	...	Nat. Grocers	940	3⅞	4½	4	4½
25½	24⅞	1.50	6	Do. pref.	....	(25 bid 25½ asked)			
7½	7	.	...	N. Sew. Pipe A.	....	(7 bid 8 asked)			
38½	30⅞	2	6.1	Nat. Steel Car.	546	32½	35	32½	35
150	150	8	5.3	National Tr.	....	(140 bid 160 asked)			
§9½	9½	♦60c	...	Neon Inv.	....	(— bid — asked)			
25½	25	2	...	Niag. W. Weav.	....	(20 bid 30 asked)			
3	2½	.	...	Noorduyn Av.	....	(2½ bid 2½ asked)			
.90	.40	.	...	North Star Oil.	100	.50	.50	.50	.50
3⅞	3½	35c	...	Do. pref.	....	(3½ bid 3⅞ asked)			
86	86	6	7	N. S. L. & Pr.	....	(86½ bid — asked)			
107	106	6	5.6	Do. pref.	10	107	106⅞	106⅞	106⅞
21½	20	1	4.8	Ogilvie Flour	185	21	20⅞	20½	20½
155	155	7	4.5	Do. pref.	10	155	155	155	155
106⅞	105	5	4.8	Ontario Loan	....	105½ bid 111½ asked			
§5½	2	.	...	Ont. Silknit	....	(— bid 4½ asked)			
45	35	1	...	Do. pref.	1	37	35	35	35
7	7	1	...	Do. Scripts	....	(7 bid — asked)			
10	8½	♦1	..	Ont. Steel	....	(8½ bid 10 asked)			
§115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
2.00	1.25	.	...	Orange Crush	100	2.00	1.25	1.25	1.25
6½	6½	70c	10.8	Do. pref.	....	(6 bid 6½ asked)			
8½	5	20c	...	Ott. Car Air	100	7	7	7	7
16	14	♦1.20+30c		Ottawa El. Rly.	....	(15 bid 16½ asked)			
11	8⅞	40c	...	Ott. L. H. & Pr.	....	(7½ bid 8 asked)			
99	95	5	5.1	Do. pref.	35	97½	98	98	98
				P, Q, R					
23	23	3c	...	Pacific Coyle	....	(23 bid — asked)			
104	98⅞	5	5	Page Hersey	135	100	100	99⅞	99⅞
6	3⅞	.	...	Pantepec Oil	....	(— bid — asked)			
30	30	2	6.7	Paton Mfg.	....	(25 bid — asked)			
§115	115	7	6.1	Do. pref.	....	(110 bid 120 asked)			
50	49	3	...	Penmans	....	(45 bid — asked)			
123	120	6	5	Do. pref.	....	(122 bid — asked)			
16½	14½	♦1+50	9.4	Photo Eng.	....	(14 bid 15 asked)			
99	95½	7	7.1	Porto Rico Pr p	20	98	99	99	99
6	4½	15c	...	Power Corp.	30	4⅞	4½	4½	4½
98	90	6	6.6	Do. pref.	....	(88½ bid 95 asked)			
43	35½	3	8.5	Do. 2nd pref.	30	37	35½	35½	35½
9½	8	1	...	Pressed Metals	10	8½	9	9	9
12½	9	.	...	Price Bros.	1029	9½	10⅞	10	10½
70	65	5.50	8.1	Do. pref.	40	65	68	66	66
7	4	40c	...	Prov. Transport	25	7	6½	6½	6½
14½	11½	1	8.3	Quebec Power	225	12½	12½	12	12
4	4	.	...	Que. Telephone	....	(4 bid — asked)			
24	24	2	8.3	Real Estate L'n	....	(24 bid 28 asked)			
5	5	25c	...	Regent Knit	....	(— bid 5 asked)			
18	17½	1.60	9	Do. pref.	....	(17 bid 17½ asked)			
4½	4½	.	...	Reliance Grain.	....	(2½ bid 4 asked)			
§66	64	6.50	10	Do. pref.	....	(55 bid 65 asked)			
17	15½	2	12	River S. Mill	....	(17 bid 24 asked)			
5⅞	2	.	...	Rogers Majest.	1837	5⅞	5⅞	5½	5⅞
§19½	12	60c	...	Rolland Pap.	....	(9 bid — asked)			
11	10	60c	6	Do Vot. Trust	....	(9 bid 10 asked)			
95	93½	6	6.3	Do. pref.	....	(93½ bid — asked)			
167½	148	8	5.3	Royal Bank	144	153	154	151	151
15½	14	80c	5.2	Russell Indust.	....	(15½ bid 17 asked)			
160	145	7	4.4	Do. pref.	....	(153 bid 160 asked)			
				S					
107	103	5.50	5.2	Saguenay Pr. p.	15	105	105	105	105
34½	34½	25c	..	Sangamo	....	(— bid 34 asked)			
9	6½	.	...	Sarnia Br. (A).	100	7	6½	6½	6½
§2⅞	1½	.	...	Do. (B)	....	(1 bid 2½ asked)			
17	14	90c	6.2	Shawinigan Pr.	669	14⅞	15	14	14½
12½	8½	.	...	Sher. Wms.	10	9	8½	8½	8½
115	111	7+1.75▲	6	Do. pref.	....	(109 bid 112 asked)			
4½	3	.	...	Silverwoods	20	4	3½	3½	3½
6½	4½	40c	7.3	Do. pref.	50	5½	5½	5½	5½
6½	6	60c	10	Simon & Son	....	(5⅞ bid 6 asked)			
105½	105½	7	6.6	Do. pref.	....	(— bid — asked)			
11	11	.	...	Simpson. A.	....	(9 bid 11 asked)			
5	3½	.	...	Do. (B)	10	3⅞	3⅞	3⅞	3⅞
100	91½	6.50	6.7	Do. pref.	20	97½	97½	97	97
135	132	6	4.5	Simpson, R., pf.	....	(132 bid 140 asked)			
10½	10	80c	8	So. Can. Pr.	50	10	10	10	10
106	100	6	5.9	Do. pref.	42	102½	101½	100	100
2⅞	1½	.	...	St. Law. Corp.	595	2	2½	2	2
27	18½	2	6.3	Do. (A)	100	18⅞	18⅞	18½	18½
22	19	1+50	6.8	St. Law. Flour.	50	19	22	22	22
112	110	7	6.4	Do. pref.	....	(110 bid — asked)			
40½	35	2	5.5	St. Law. Pap. p	157	36	35	35	35
10½	8	‡50c	..	Stand. Chem.	....	(8⅞ bid 12 asked)			
1½	1½	.	...	Stand. Clay	....	(½ bid ⅞ asked)			
.90	.50	.	...	St. Pav. & Mat.	....	(.60 bid .75 asked)			
3⅞	2½	31½c	...	Do. pref.	....	(3½ bid 3⅞ asked)			
25	22	♦60+60c	5	Stedman Bros.	....	21 bid 22 asked			
70	59½	3	4.7	Steel of Can.	655	65	65	63	63⅞
74	64	3	4.4	Do. pref.	196	69	69	68	68
3	2	.	...	Sterling Coal	....	(3 bid 4 asked)			
.15	.15	.	...	Stop & Shop	....	(— bid .20 asked)			
14	14	80c	5.7	Stuart, D.A. pf.	....	(— bid 14 asked)			
§3½	2½	.	...	Supersilk H. A.	....	(— bid 2½ asked)			
3	3	.	...	Do. (B)	4	..	3	3	3
§82	72	5	6.9	Do. pref.	....	— bid 78 asked)			
30	23	1+50c	6.5	Sup. Pete. ord.	25	30	23	23	23
27	25	1+50c	5.6	Do. com.	....	(25 bid 32 asked)			
				T, U, V					
11⅞	10	80c	7.3	Tamblyn	125	10⅞	11	11	11
52⅞	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
§3	3	.	...	Thayers	....	(1½ bid 6 asked)			
§36	20	2.50	...	Do. pref.	....	(20 bid 35 asked)			
2	2	.	...	Thrift Stores	....	(1 bid — asked)			
9	8	.	...	Do. pref.	20	8	8	8	8
10	7½	60c	7.7	Tip Top Tailors	....	(7 bid 9½ asked)			
107	100	7	6.9	Do. pref.	....	(105 bid 107 asked)			
1.50	1.50	.	...	Tooke Bros.	....	(1.00 bid — asked)			
13	12	.	...	Do. pref.	....	(12 bid — asked)			
21½	19	1	5	Tor. Elevators	25	20	20	20	20
45½	42	2.62½	5.8	Do. pref.	....	(43½ bid 47 asked)			
80	74	4	5.4	Tor. Gen. Tr.	....	(71 bid 75 asked)			
82	75	5	6.3	Toronto Mtge.	....	(75 bid 80 asked)			
149	145	7	4.7	Tuckett Tob. p.	....	(146 bid 155 asked)			
2	1½	.	...	Twin City	....	(— bid 1⅞ asked)			
26½	26½	.	...	Do. pref.	....	(— bid — asked)			
14½	11⅞	80+20c	8.3	Union Gas	730	12	12	11⅞	12
13	13	♦80c	6.2	Un. Amuse. A.	....	(13 bid — asked)			
13	13	♦80c	6.2	Do. (B)	....	(13 bid — asked)			
.85	.60	.	...	United Distill	....	(— bid .95 asked)			
38½	33	3	8.9	United Fuel, pf.	5	33	33⅞	33⅞	33⅞
5⅞	4	.	...	Do. B. pref.	....	(2⅞ bid 5½ asked)			
4⅞	4⅞	.	...	United Secs.	....	(— bid 4 asked)			
4	2½	.	...	United Steel	400	3	3½	3	3
4	3½	.	...	Viau Bisc.	115	3⅞	3⅞	3⅞	3½
60	55	5	8.3	Do. pref.	55	56	60	56	60
				W, Y, Z					
28½	24	2	8.3	Wabasso Cot.	....	(23 bid — asked)			
48	36½	4	10	Walker-Good.	972	39⅞	40½	39½	40
20½	19½	1	5	Do. pref.	467	19⅞	19⅞	19½	19⅞
.80	.60	♦5c	...	Walkerville Br.	....	(.65 bid .75 asked)			
§135	120	7	5.4	W. Koot. Pr. pf	....	(123½ bid — asked)			
1.75	1.00	.	...	West. C. Flour.	....	(— bid 125 asked)			
25½	22	.	...	Do. pref.	....	(— bid 24 asked)			
60	46	3+1	6.7	West Grocers	....	(50 bid 60 asked)			
115	111	7	6.1	Do. pref.	....	(96 bid 125 asked)			
§11⅞	11⅞	50c	4.2	W'minster Pap.	....	(— bid — asked)			
11½	9	80c	8	Weston Ltd.	35	10	10	10	10
98	90	5	5.6	Do. pref.	41	91⅞	94½	90	90
18½	15⅞	1	5.9	Wilsils	100	15⅞	17	16	16
1.15	.50	.	...	Winnipeg El. A	106	.80	.90	.80	.80
1.40	.65	.	...	Do. (B)	11	.80	.80	.80	.80
8	4½	.	...	Do. pref.	28	5	5	4½	5
85	74	7	9.4	Wood A. & J. p	....	(— bid 85 asked)			
50	45	.	...	Woods Mfg., pf.	....	(45 bid — asked)			
5½	5	20c	..	York Knitting	....	(5½ bid 6 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
9⅞	8½	20c	...	Zellers	120	9½	9½	9½	9½
24½	24½	1.50	6.1	Do. pref.	....	(— bid — asked)			

Quotations: § 1940. • 1939. * 1938.
▲ On account of arrears. ♦ Paid in 1940.
■ Participating. ‡ Paid or payable in 1941 to date.

Mining Stocks

Week Ending April 7, 1941

Par Val.	Range 1941 High	Low	Company	Sales	Close Mar. 31 (or last)	High for week	Low for week	Close Apr. 7
			A					
No	.17	.07	Aldermac	5,600	.10½	.11	.10½	.10½
1	.01½	.01	Amm. Gold	1,000	.01	.01	.01	.01
No	2.75	2.25	Anglo-Huronian	492	2.25	2.36	2.35	2.35
No	.30	.30	Argus Interests	......	(.30 bid .40 asked)			
No	•.03	.01	Arno	......	(.... bid .02 asked)			
1	.09	.03⅞	Arntfield	50,000	.03⅞	.04½	.03⅞	.03⅞
1	.05½	.03½	Ashley	2,500	.04	.04½	.04½	.04½
1	.05	.03	Astoria Quebec	500	.03½	.03½	.03½	.03½
1	2.45	1.63	Aunor Gold	11,642	1.96	2.15	1.85	1.89
			B					
1	.16½	.05	Bagamac	1,200	.09½	.12	.10	.10
1	.08	.04½	Bankfield	4,400	.06	.06½	.06	.06
No	.11	.07	Base Metals	1,800	.07½	.08½	.08	.08½
1	.15	.10	Bear Exploration	17,500	.11	.14	.11	.12
1	1.24	1.03	Beattie Gold	3,450	1.15	1.16	1.11	1.11
1	.09	.05	Beaufor	4,000	.05½	.05½	.05	.05
1	1.00	.90	Berens River	......	(.... bid 1.00 asked)			
1	.13½	.07½	Bidgood Kirk	21,900	.11	.10½	.08½	.08½
1	.05	.03	Big Missouri	2,000	.03½	.03½	.03½	.03½
1	.11	.06	Bobjo	3,600	.07	.07	.06½	.06½
1	.02½	.02	Bouscadillac G.M.	......	(.02 bid .03 asked)			
No	10.50	9.50	Bralorne	800	10.50	10.37	10.00	10.00
1	.03	.03	Brazil Gold	......	(.02½ bid .... asked)			
1	.01½	.00⅞	Brett Trethewey	1,000	.00½	.00½	.00½	.00½
1	1.10	.71	Broulan Porc.	43,520	.91	.95	.87	.87
1	5.95	3.55	Buffalo Ankerite	4,135	3.60	3.85	3.60	3.60
No	.06	.02½	Buffalo Can.	61,600	.04	.06	.04	.04½
5	19.00	16.00	Bulolo Gold	1,120	18.25	19.00	18.25	19.00
No	.02	.01½	Bunker Hill	......	(.01½ bid .03 asked)			
			C					
No	.59	.47	Can. Malartic	3,000	.55	.59	.55	.56
1	2.91	2.30	Cariboo Gold	200	2.56	2.70	2.70	2.70
1	.01	.01	Cartier Malartic	......	(.... bid .01 asked)			
1	.55	.50	Castle Trethewey	......	(.60 bid .65 asked)			
1	.07	.05	Cen. Cadillac	1,200	.06	.06½	.06½	.06½
1	.01½	.01½	Cen. Manitoba	......	(.... bid .... asked)			
1	1.95	1.65	Cen. Patricia	955	1.70	1.80	1.70	1.72
1	.17	.09	Cen. Porcupine	54,842	.15½	.16½	.14	.16
1	.18½	.16	Century Mining	1,100	.16½	.17	.16½	.16½
1	1.74	1.26	Chesterville	11,970	1.37	1.45	1.35	1.35
No	.19	.12	Chromium	100	.19	.16	.16	.16
5	1.05	.90	Coast Copper	......	(.80 bid .85 asked)			
1	1.04	.69	Cochenour Willans	10,565	.77	.78	.75	.77
5	1.55	1.35	Coniagas	540	1.55	1.50	1.35	1.50
No	1.55	1.20	Coniaurum	5,500	1.30	1.40	1.35	1.35
5	39.50	34.00	Cons. Smelters	857	35.00	37.00	35.25	36.00
			D, E					
1	1.24	.87	Delnite	5,700	.87	.98	.90	.95
1	.03½	.02½	Denison Nickel	......	(.03 bid .03½ asked)			
No	25.00	21.75	Dome Mines	1,274	22.50	23.12	22.25	22.25
1	.02	.01½	Dorval Siscoe	3,500	.02	.02	.02	.02
1	.16⅞	.10	Duquesne	16,500	.11½	.11	.10½	.10½
1	2.95	2.45	East Malartic	17,340	2.66	2.78	2.60	2.62
1	.52	.32	Eldorado	2,450	.36	.40	.35	.36
			F, G					
No	2.60	1.92	Falconbridge	3,090	2.40	2.50	2.35	2.40
1	.06	.03½	Federal	7,500	.04½	.04½	.04½	.04½
1	.06½	.02½	Fernland	5,000	.03	.03½	.03	.03
No	.55	.35	Francoeur Gold	6,300	.39	.42	.39½	.40
1	.04½	.03½	Gillies Lake	100	.04	.03½	.03½	.03½
1	.02	.01½	Glenora	......	(.01½ bid .02 asked)			
No	.39	.23	God's Lake	3,300	.26½	.30	.27	.28
1	.16½	.11½	Goldale	500	.12	.13	.13	.13
50c.	.29	.25	Gold Belt	1,000	.27	.26	.26	.26
1	.10	.04	Gold Eagle	6,600	.04½	.04½	.04	.04½
1	.13	.05	Golden Gate	43,050	.08	.08½	.07½	.07½
1	.02	.00½	Goodfish	......	(.00½ bid .01 asked)			
1	.02½	.01	Graham Bosquet	......	(.01½ bid .02½ asked)			
No	.06½	.05½	Grandora	......	(.... bid .06 asked)			
1	.01½	.01½	Grull Wihksne	......	(.... bid .04 asked)			
1	.38	.24	Gunnar Gold	6,200	.25½	.29	.27	.27
			H, I, J					
1	.09½	.07½	Halcrow Swayze	22,800	.07½	.09½	.07½	.09
1	.01½	.01	Halliwell Gold	......	(.01 bid .02 asked)			
1	5.40	5.00	Hallnor Mines	250	5.00	5.00	5.00	5.00
1	1.10	.75	Hard Rock	5,510	.80	.84	.79	.79
1	.08	.03½	Harker	8,500	.03½	.04	.03½	.03½
1	.58	.50	Hedley Mascot	......	(.50 bid .... asked)			
5	13.12	12.00	Hollinger	3,605	12.87	13.00	12.75	12.75
1	.30	.24	Howey Gold	5,900	.24	.28	.25	.25
No	27.00	24.00	Hudson Bay	1,411	26.00	26.50	25.25	26.50
1	.33	.20	Inspiration	1,400	.27	.33	.28	.33
No	36.75	31.00	Int. Nickel	3,109	34.25	35.00	34.00	34.63
50c.	.90	.85	Island Mountain	......	(.90 bid .95 asked)			
1	.02½	.01½	Jacola	......	(.01½ bid .02 asked)			
1	.27	.13½	Jack Waite	14,600	.17	.19	.16	.16
1	.46	.37	Jason Mines	26,200	.43	.46	.41	.42
1	.03	.01	Jellicoe	......	(.01½ bid .02 asked)			
1	.01½	.00½	J. M. Cons. Gold.	1,000	.01	.01	.01	.01
1	.01½	.01½	Joliet Quebec	......	(.01½ bid .01½ asked)			
			K, L					
1	3.95	3.05	Kerr Addison	19,096	3.90	3.95	3.75	3.80
1	.41	.30	Kerr Lake	......	(.32 bid 1.00 asked)			
1	.02	.01	Kirk. Gold Rand.	......	(.02½ bid .... asked)			
1	.42	.15	Kirk. Hud. Bay	3,900	.40	.42	.38	.42
1	1.05	.82	Kirkland Lake	4,510	.89	.91	.82	.86
1	.10	.07½	Kirk. Townsite	......	(.08 bid .12 asked)			
1	21.00	18.25	Lake Shore	1,683	19.25	20.00	18.75	18.75
1	5.15	4.20	Lamaque Gold	1,180	4.40	4.75	4.40	4.60
1	.12½	.06	Lapa Cadillac	28,400	.07½	.12	.08	.09½
1	.02½	.01½	Lebel Oro	......	(.01½ bid .02 asked)			
1	.60	.45	Leitch Gold	10,100	.50	.51	.49	.49½
No	2.06	1.65	Little Long Lac	1,675	1.80	1.85	1.80	1.80
			M					
1	4.30	3.45	Macassa	5,750	4.00	4.00	3.85	3.85
1	2.35	1.70	MacLeod Cockshutt	8,000	1.90	1.98	1.83	1.83
1	.70	.50	Madsen Red Lake	39,018	.61½	.70	.63	.65
1	1.17	.90	Malartic Gold	27,950	1.05	1.14	1.02	1.02
No	.09	.05	Mandy	......	(.06 bid .08 asked)			
No	.01	.00½	Man. & Eastern	......	(.00½ bid .00⅞ asked)			
1	.04	.01½	Maralgo	......	(.02 bid .04 asked)			
5	52.25	46.00	McIntyre	772	48.00	49.50	48.00	49.50
1	1.32	1.05	McKenzie R.L.	17,025	1.10	1.22	1.05	1.10
1	.09	.04	McVittie Graham	1,012	.05½	.05½	.04	.04½
No	.25	.17	McWatters	1,500	.20	.22	.20	.20
5	•.39	.39	Mentor Exploration	......	(.... bid .49 asked)			
No	.83	.55	Mining Corp.	7,000	.80	.83	.80	.82
1	•.05	.05	Moffat Hall	......	(.01 bid .... asked)			
1	.55	.45	Moneta	1,750	.48	.52	.45	.45
1	.06	.02	Morris Kirk	4,700	.02½	.02½	.02½	.02½
1	.03½	.01	Murphy	4,000	.03	.03	.02½	.02½
			N, O					
1	.31	.21½	Naybob	13,200	.26½	.28	.25½	.26
No	.02	.01	Newbec	1,000	.01½	.01½	.01½	.01½
1	.03	.03	New Golden Rose	......	(.01 bid .05 asked)			
5	1.18	.75	Nipissing	440	1.05	1.08	1.02	1.06
No	58.00	49.75	Noranda	2,148	54.00	57.00	54.00	55.25
No	.52	.30	Nor. Canada	......	(.30 Mar. 31)			
1	.04	.02½	Norgold	......	(.03 bid .03½ asked)			
No	.40	.25	Normetals	6,412	[illegible]	.40	.22	.40
1	5.00	5.00	Northern Empire	......	(4.75 bid .... asked)			
1	1.15	.60	O'Brien	4,735	.65	.60	.60	.63
1	.18	.10	Omega	4,200	.17	.18	.16	.16
1	.10	.05	Omiako	......	(.06½ bid .08 asked)			
			P, Q, R					
No	1.65	.90	Pamour	5,840	1.25	1.45	1.28	1.30
1	.08½	.04	Pandora	8,800	.05	.05½	.04	.05
1	2.70	2.25	Pato Cons. G.	1,800	2.60	2.65	2.60	2.65
1	.05	.02	Partanen Mal.	16,500	.04½	.04½	.04	.04
1	.01	.00½	Pawnee Kirk	......	(.00½ bid .01 asked)			
1	.28	.20	Paymaster	12,100	.22½	.23	.22½	.22½
1	2.10	1.35	Pend Oreille	1,200	1.50	1.60	1.55	1.55
1	1.60	1.40	Perron Gold	3,845	1.50	1.55	1.50	1.51
1	3.00	2.60	Pickle Crow	6,140	2.60	2.75	2.60	2.65
1	2.35	2.05	Pioneer Gold B.C.	275	2.20	2.20	2.20	2.20
1	9.50	9.00	Placer Devel.	......	(.... bid 13.00 asked)			
1	1.04	.65	Powell Rouyn	500	.70	.75	.75	.75
1	.95	.85	Premier Gold	1,700	.91	.94	.90	.90
1	3.40	2.70	Preston E. Dome	23,414	3.15	3.30	3.00	3.00
No	.20	.20	Prospectors Air's	......	(.15 bid .59 asked)			
1	.25	.20	Quebec Gold	1,000	.22	.22	.22	.22
No	.05	.04	Quemont	......	(.04 bid .... asked)			
No	.03	.01½	Red Crest	......	(.02½ bid .04 asked)			
1	•.26	.15	Reeves McDonald	......	(.10 bid .... asked)			
1	.13½	.10	Reno Gold	......	(.10 bid .13½ asked)			
1	.00½	.00½	Robb Montbray	......	(.00½ bid .... asked)			
1	.05	.03	Roche Long Lac	500	.03½	.04	.04	.04
			S, T, U, V, W, Y					
1	2.65	2.03	San Antonio	7,282	2.50	2.55	2.34	2.34
1	.07½	.04	Sand River	500	.04	.04½	.04½	.04½
1	.59	.36	Senator Rouyn	31,500	.40½	.48½	.42	.43
1	.04	.01	Shawkey	......	(.01½ bid .03 asked)			
50c.	.88	.75	Sheep Creek	300	.85	.80	.80	.80
1	.87	.65	Sherritt Gordon	6,498	.70	.73	.65	.70
1	8.90	7.00	Sigma Mines	111	7.40	7.65	7.25	7.25
1	.69	.50	Siscoe	26,625	.67	.67	.62	.62½
1	.43	.24	Sladen Malartic	8,600	.25	.27	.24	.24
1	.19½	.10	Slave Lake	40,700	.12	.12	.10	.11
1	.15	.08½	St. Anthony	8,700	.12	.12	.10	.10
No	1.78	.81	Steep Rock	31,950	1.12	1.23	1.05	1.09
No	.04½	.03½	Straw Lake	4,000	.03½	.03½	.03½	.03½
1	.24	.17	Sturgeon River	5,000	.22	.24	.21	.21
No	1.65	1.10	Sudbury Basin	400	1.18	1.25	1.20	1.20
1	.05½	.02	Sudbury Contact	2,500	.03	.04½	.04	.04½
1	.66	.56	Sullivan Cons.	7,550	.65	.65	.60	.60
1	2.95	2.50	Sylvanite	1,889	2.75	2.80	2.65	2.65
1	3.75	3.00	Teck Hughes	6,636	3.15	3.30	3.10	3.10
1	.08½	.04	Temiskaming	......	(.05½ bid .06 asked)			
1	1.80	1.50	Toburn Gold	850	1.60	1.70	1.65	1.65
1	.14	.09	Towagmac	200	.10½	.10	.09	.09
No	.50	.25	Trans. Resources	1,300	.27	.30	.27	.27
1	.39	.16½	Uchi Gold	6,400	.17	.19	.17	.18
	84.00	50.00	Do., Bonds	3,400	51.00	51.00	50.00	50.00
1	2.28	1.27	Upper Canada	64,220	1.87	2.10	1.82	1.90
No	4.25	2.75	Ventures	3,020	3.25	3.65	3.40	3.60
No	4.20	3.20	Waite Amulet	5,240	3.50	3.60	3.40	3.40
1	.26	.15	Wendigo	1,700	.15	.21	.18	.19
1	.01½	.01	Wiltsey Coughlan	......	(.01½ bid .... asked)			
1	.10	.06	Wood Cadillac	3,200	.07½	.07½	.07½	.07½
No	7.05	5.50	Wright-Hargreaves	16,537	5.60	5.80	5.60	5.60
No	.08	.04	Ymir Girl	......	(.04½ bid .10½ asked)			

Oil Stocks

Par Val.	High	Low	Company	Sales	Close Mar. 31	High	Low	Close Apr. 7
No	.11½	.05½	Acme Gas & Oil	......	(.07 bid .10 asked)			
1	.09	.08	Alta. Pac. Cons.	......	(.07½ bid .10 asked)			
1	.18	.11	Ajax	1,000	.12½	.12½	.12½	.12½
No	.81	.50	Anglo Canadian	4,700	.65	.67	.65	.65
No	.12	.07	Br. Dominion	......	(.06½ bid .07½ asked)			
No	.10	.07½	Brown Oil	1,500	.07½	.08	.07½	.08
No	1.49	1.10	Calgary & Ed.	1,000	1.22	1.22	1.15	1.15
1	.28	.18	Calmont	......	(.18½ bid .21 asked)			
No	.26	.20	Commoil	......	(.19 bid .22 asked)			
No	.22	.19½	Common Pete	225	.20	.22	.20	.20
No	.32	.20	Dalhousie	......	(.25 bid .32 asked)			
No	.16½	.11½	Davies Pete	600	.15	.13	.13	.13
No	.05	.03	East Crest	500	.03	.03½	.03½	.03½
No	.16½	.14	Extension Oil	1,500	.14	.14	.14	.14
No	.30	.25	Federated Pete	......	(.23 bid .30 asked)			
25c.	.04½	.03	Firestone Pete	1,500	.03½	.03½	.03	.03
No	.80	.50	Foothills	500	.52	.60	.60	.60
25c.	.08	.05	Foundation Pete.	1,500	.06	.06	.05	.05
No	•.18	.05	Hargal	......	(.... bid .20 asked)			
No	.15	.08	High Sarcee	......	(.00½ bid .12 asked)			
No	2.55	1.67	Home	3,415	1.90	1.95	1.76	1.80
1	.02	.01½	Homestead O. & G.	3,000	.01½	.01½	.01½	.01½
No	.08	.05	McD. Segur	......	(.05½ bid .... asked)			
1	•.30	.16	Model	......	(.... bid .... asked)			
25c.	.06	.03½	Monarch Royalties	......	(.04 bid .06 asked)			
25c.	.05	.05	National Petroleum	......	(.05½ bid .... asked)			
1	.06	.03	Nordon	2,350	.05	.06	.05½	.05½
No	.02½	.01½	Oil Selections	......	(.01½ bid .02 asked)			
No	.78	.51	Okalta	2,500	.58	.55	.52	.53
No	.04	.02½	Pacalta	......	(.03 bid .03½ asked)			
1	.27	.15	Pacific Petroleum	1,800	.15	.20	.20	.20
No	.30	.30	Petrol Oil & Gas	......	(.23 bid .50 asked)			
25c.	.09	.04	Prairie Royalties	3,000	.05½	.06	.04	.06
No	22.00	17.50	Royalite	......	(17.50 bid .... asked)			
No	.30	.23	South West Pete.	......	(.... bid .25 asked)			
No	.02½	.01½	South End	......	(.01½ bid .02 asked)			
5	1.25	.95	Texas Can.	......	(1.00 bid 1.25 asked)			
No	.04½	.03½	United Oils	25	.03½	.03½	.03½	.03½
1	.02½	.01½	Vermilata	2,000	.01½	.01½	.01½	.01½
1	.34	.25	Vulcan	......	(.27 bid .40 asked)			
No	.02	.01½	West Flank	......	(.02½ bid .... asked)			

Vancouver Stocks

Par Val.	High	Low	Company	Sales	Close Mar. 31	High	Low	Close Apr. 7
No	....	....	Bayonne	......	(.03 bid .06 asked)			
1	.05	.04	Big Missouri	500	.04	.04	.04	.04
No	10.40	9.50	Bralorne	965	10.15	10.35	10.00	10.00
1	.00½	.00½	Bridge River Cons.	......	(.... bid .01 asked)			
1	2.91	2.25	Cariboo Gold	450	2.56	2.65	2.55	2.65
No	.01½	.00½	Dentonia	5,000	.01½	.01	.00½	.01
No	.01½	.00½	Fairview Amal.	500	.00½	.01	.01	.01
1	.15	.15	George Copper	......	(.12 bid .15 asked)			
1	.08½	.03½	Golconda	8,800	.04	.08½	.05	.08½
50c.	.32	.25	Gold Belt	300	.26	.26	.26	.26
50c.	.15½	.10	Grandview	800	.14½	.15	.14	.15
1	.02½	.01	Grull Wihksne	......	(.01½ bid .02 asked)			
1	.60	.45	Hedley Mascot	3,400	.55	.59	.55	.59
No	•.00½	.00½	Home Gold	......	(.00½ bid .00½ asked)			
1	.01	.01	Indian Mines	......	(.00½ bid .01 asked)			
50c.	.95	.75	Island Mountain	......	(.90 bid 1.00 asked)			
1	.33	.27	Inter'tl Coal	......	(.30 bid .... asked)			
50c.	.28	.15	Kootenay Belle	1,100	.25	.28	.25	.28
1	.25	.20	McGillivray Creek	......	(.21 bid .25 asked)			
No	.02½	.00½	Minto Mines	8,000	.01½	.01½	.01½	.01½
50c.	.00½	.00½	Nicola	......	(.00½ bid .... asked)			
1	.05	.03	Pacific Nickel	500	.04	.05	.05	.05
1	2.00	1.40	Pend Oreille	100	1.50	1.65	1.65	1.65
1	2.25	2.00	Pioneer Gold	100	2.15	2.15	2.15	2.15
50c.	.01½	.01	Porter Idaho	6,000	.01½	.01	.01	.01
No	.03½	.01½	Premier Border	14,000	.02½	.02½	.02½	.02½
1	.95	.85	Premier Gold	2,600	.90	.92	.90	.92
No	.63	.45	Privateer Mines	10,500	.47	.49	.45	.49
1	.02½	.01½	Quatsino Copper	......	(.01½ Mar. 18)			
1	.20	.10	Reeves McDonald	......	(.10 bid .... asked)			
1	.03	.02½	Relief Arlington	......	(.... bid .02½ asked)			
1	.13	.10	Reno Gold	......	(.10½ bid .... asked)			
1	•.06½	.04	Sally Mines	......	(.... bid .... asked)			
50c.	.02½	.01	Salmon Gold	......	(.... bid .... asked)			
50c.	.88	.75	Sheep Creek	2,100	.82	.80	.80	.80
1	.80	.65	Silbak Premier	300	.70	.80	.75	.80
No	.00½	.00½	Silvercrest	......	(.... bid .... asked)			
1	•.05	.05	Sunloch	......	(.... bid .... asked)			
50c.	.15	.10½	Surf Inlet	......	(.10 bid .15 asked)			
No	.02	.02	Taylor Bridge	......	(.02½ bid .... asked)			
20c.	.00½	.00½	Wellington	......	(.00½ bid .01 asked)			
50c.	•.00½	.00½	Wesko	......	(.... bid .00½ asked)			
1	.02	.00½	Whitewater	15,000	.00½	.00½	.00½	.00½
No	.08	.06	Ymir Yankee Girl	......	(.04½ bid .... asked)			

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Mar. 31	High	Low	Close Apr. 7
1	.09½	.07	Alta. Pac. Cons.	600	.08	.08	.08	.08
1	.00½	.00½	Amalgamated	......	(.00½ bid .00½ asked)			
No	.83	.57	Anglo Canadian	900	.65	.66	.63	.63
No	.08½	.04	Anaconda	1,000	.06½	.05½	.05½	.05½
No	.07	.07	Brit. Dominion	200	....	.07	.07	.07
No	•.18½	.06	Brown Oil	......	(.06½ bid .... asked)			
No	1.50	1.14	Calgary & Ed.	950	1.20	1.20	1.14	1.14
1	.26	.18	Calmont	2,600	.18½	.20	.19	.19
No	.25	.20	Commoil	......	(.20 bid .22 asked)			
No	.21	.19	Commonwealth	800	.20	.20	.19	.19
No	.30	.22	Dalhousie	1,000	.25	.25	.25	.25
No	.15½	.13½	Davies Pete	200	.15	.14	.14	.14
No	.04	.04	East Crest	......	(.... bid .... asked)			
No	.17	.13½	Extension	500	.13½	.13½	.13½	.13½
No	.36½	.25	Federated Petroleum	2,000	.28	.27½	.27	.27
25c.	.04½	.04½	Firestone	......	(.... bid .03½ asked)			
No	.60	.50	Foothills	......	(.50 bid .... asked)			
25c.	.06½	.06½	Foundation Pete	......	(.... bid .... asked)			
No	•.12	.08½	Four Star	......	(.... bid .... asked)			
No	.15	.09½	High Sarcee	300	.10	.09½	.09½	.09½
No	2.35	1.70	Home Oil	1,800	1.85	1.92	1.85	1.85
No	.01½	.01½	Madison	......	(.01 bid .01½ asked)			
No	.01½	.01	Marjon Oil	......	(.01 bid .01½ asked)			
No	.07	.05	McD. Segur Ex.	6,700	.05½	.05½	.05	.05½
No	.05	.04	Mercury	......	(.04 bid .05 asked)			
No	.05	.04	Mill City Pete	500	.04½	.04½	.04½	.04½
1	.19	.16	Model	......	(.14 bid .16 asked)			
25c.	.07	.03½	Monarch Royal	100	.05½	.07	.07	.07
25c.	.05½	.04½	National Pete	......	(.04½ bid .... asked)			
1	•.05	.04	Nordon	......	(.... bid .... asked)			
No	.75	.50	Okalta	100	.53	.53	.53	.53
No	.04	.04	Pacalta Oil	......	(.... bid .03½ asked)			
1	.26	.20	Pacific Petroleums	190	.25	.24	.24	.24
25c.	.08	.05	Prairie Royal	500	.05½	.05	.05	.05
No	.15	.09	Royal Canadian	1,000	.09½	.09	.09	.09
No	•.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	22.00	17.50	Royalite	5	18.00	17.50	17.50	17.50
No	•.07½	.03	South End	......	(.... bid .... asked)			
No	.25	.25	Southwest Pete	......	(.... bid .... asked)			
1	.05½	.04	Spooner	......	(.03½ bid .... asked(			
25c.	.14	.12	Sunset Oil	......	(.09 bid .14 asked)			
No	.04½	.03	United	......	(.03 bid .... asked)			
No	.04½	.04½	Vanalta	......	(.03½ bid .04½ asked)			
1	.38½	.20	Vulcan	100	.30	.27	.27	.27
No	•.05	.02	West Flank	......	(.01½ bid .... asked)			

*Quotations for 1940.

Winnipeg Stocks

(Transactions from Mar. 31 to Apr. 5)

	Sales	High for period	Low for period	Close Apr. 5
Dominion Envelope, c.	5	8.50	8.50	8.50
Federal Grain, pref.	10	29.50	29.50	29.50
Great West Life	17	205.00	205.00	205.00
Sovereign Life	10	11.50	11.50	11.50
United Grain Growers	31	9.00	9.00	9.00
Western Steel	65	9.00	9.00	9.00
Wingold	11,842	.09	.07	.07

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c	..	4
Beav. Lumber, p	102	105
Can. Airways	1	..
Can. Indemnity	150	..
Cres. Cream., p.	11¾	15
Dom. Envelope p	92½	97½
Fed. Grain, c.	.50	..
Home Invest.	14	..
Nor. Can. Mtg. p.	5	..
North. Trusts	7	..
Traders Bldg.	43	..
West. Brew.	1.75	1.85
West. Grain, p.	..	9
Wings	.15	.75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 8	12,800	17,200	259,000	......
Apr. 7	6,000	5,000	152,000	......
Apr. 5	5,500	4,900	129,000	6,550
Apr. 4	7,500	3,400	191,000	30,110
Apr. 3	6,700	6,100	209,000	5,525
Apr. 2	5,800	12,900	266,000	20,300

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Apr. 9, 1941

%	Due	Bid	Ask	Approx. Yld.
5	Nov. '41	102½	102⅞	.98
1½	May '42	100½	100⅞	.87
2	June '42	100⅞	101⅛	.84
3	Oct. '42	102⅜	102⅝	1.14
2½	June '43	102	102⅜	1.21
5	Oct. '43	107⅞	108⅜	1.53
2	June '44	101	101⅜	1.43
a2½	Jan. '44	95⅜	96⅛‡	3.70
4½	Oct. '44	108⅞	109½	1.83
2½	Nov. '44	102½	103	1.66
a2½	Aug. '45	93⅜	94⅛‡	3.81
4	Oct. '45	105½	105⅞	b1.63
4½	Feb. '46	109⅜	110½	2.20
3½	June '49	102⅜	103½	b2.52
3½	Oct. '49	103	103⅜	b2.39
3½	Nov. '51	101	101⅞	b3.00
3½	Feb. '52	101½	102	b2.92
a5	May '52	99½	‡100½	b4.52
4	Oct. '52	105⅞	106½	b2.91
3	Oct. '52	98½	99½	3.07
3	June '55	98½	99½	3.07
4½	Nov. '56	107½	108½	b2.89
4½	Nov. '57	108	108⅞	b3.01
3	June '58	98	98⅞	3.09
4½	Nov. '58	108⅞	109½	b3.08
4½	Nov. '59	109½	110½	b3.13
a4	Oct. '60	92½	93½‡	4.50
a3½	Jan. '61	85½	86½‡	4.24
3½	June '66	100½	101	b3.17
a3e	Jan. '67	82½	83⅞‡	4.01
a3e	Nov. '68	82½	83⅞‡	3.96
†3	Perpet'l.	90⅞	91½	3.28
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100⅞	101½	1.19
2½	Jan. '46	100½	101½	1.92
3	May '44	103	104	1.66
3	Dec. '50	98⅞	99⅞	3.03
3	Feb. '53	97⅞	98⅞	3.12
3	Jan. '59	96⅞	97⅞	3.17
*4½	Sept. '51	113½	114½	2.89
*4½	Feb. '56	113⅞	114⅞	3.25
c4½	July '57	114⅞	115⅞	3.26
*4½	June '55	116	117	3.27
5	Feb. '54	116½	117½	3.33
*5e	July '69	113⅞	114⅞	b1.80
*5e	Oct. '69	117⅞	118⅞	b3.00
*5e	Feb. '70	117⅞	118⅞	b3.11
Grand Trunk Pacific Rly.:				
3	Jan. '62	97½	98½	3.10
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	87	89	4.31
3½	Aug. '49	90	92	4.40
3½	June '56	88	90	4.40
c4	Nov. '47	96½	98	4.35
c4½	Apr. '61	98	99½	4.54
c5	Jan. '60	103	105	4.60
Nova Scotia:				
3	Jan. '52	93	94½	3.61
3½	June '56	93	94½	3.72
3½	Nov. '50	97	98½	3.68
c4½	Sept. '52	106	107	b3.31
c4½	Nov. '60	107	110	3.78
c5	Mar. '60	114	116	3.83
Ontario:				
2½	May '45	99½	100½	2.36
3	Apr. '48	98⅞	99⅞	3.04
3	Nov. '50	98½	99½	3.09
3½	Nov. '51	100	101	b3.12
3½	May '55	99⅞	100⅞	b3.16
*4	June '62	106	108	3.47
4½	June '50	108⅞	109⅞	3.26
*4½	Jan. '62	112⅞	114⅞	3.50
*5	Oct. '48	111	112	3.20
*5	Dec. '60	119	121	3.53
5½	July '46	111½	112½	2.91
Ont. Hydro Commission:				
3	Aug. '48	98⅞	99⅞	3.04
3½	Feb. '53	99⅞	100⅞	b3.15
3½	Apr. '47	101⅞	102⅞	3.00
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	94	95	3.87
3½	Mar. '48	95½	96½	3.87
3½	Mar. '59	91⅞	92⅞	4.07
3½	Feb. '55	96	97	4.04
4	Mar. '52	98½	100	4.00
4½	Aug. '58	100	102	4.09
4½	Jan. '63	101	104	4.22
Alberta:				
4	Dec. '54	52	56	d
4½	Oct. '51	65½	69½	d
c4½	Oct. '56	54	58	d
*5	Oct. '59	56	60	d
c5½	Apr. '52	62	66	d
6	Mar. '47	66	70	d
British Columbia:				
c4	Dec. '57	96	100	4.00
*4½	Jan. '51	99	103	4.13
c4½	Oct. '53	99	103	4.20
c5	Apr. '54	102	106	4.40
5½	Feb. '45	101	105	4.13
6	Feb. '47	104	108	4.46
Manitoba:				
c4	Dec. '57	86	90	4.87
c4½	Dec. '36	89	93	5.15
*5	Dec. '59	92	96	5.34
5½	Oct. '55	92½	96½	5.85
6	Apr. '47	94½	98½	6.30
Saskatchewan:				
4	Sept. '54	67	71	7.43
4	Nov. '60	66	70	6.75
c4½	Oct. '51	80	84	6.63
c4½	Mar. '60	69	74	7.00
5	Aug. '58	74½	78½	7.18
5½	Oct. '52	79	84	7.60
6	Mar. '52	83	88	7.63

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 8, 1941

	Bid	Ask.
Industrials:		
Acme Farm. D.	37	..
Andian National	26½	27½
Anglo C. Tel., A	8	8½
Atlas Steel	21	25
Barrymore, pfd.	28	..
Blue T. Brew. A	9	10
Do., B	6½	7½
B. C. Pulp, c.	12½	14
Do., pfd.	60	65
B. C. Sugar	72	75
B. C. Tel., 1st p.	110	114
Burns & Co., A	3½	4⅞
Do., B.	2½	3½
Can. Co-op. Wl.	8	..
C. I. L., A c.	195	..
Do., pref.	169	172
Can. Ing. Rand	77	82
Can. Mot. L.A.B.	2⅞	..
Can. Tube, 1st p	89	..
Can. West'ghouse	44	46½
Chase, A. W., p.	18	20
Claude Neon, p.	5	6
Colonial Steam.	13½	15½
Copeland Fl. un.	14	16
Dom. Manuf., p.	61	66
Dunlop T. p. $25	23½	24½
East. Steel, pf.	20	23
Easy Wash. p $10	10	12
Goderich Elev.	7	8
Guelph Carp., c.	20	23
Gurney Fdry., p	1½	1½
Hayes Steel, c.	9	10
Hi'land Dairy, p	49	54
Homewood San.	100	120
Kingst. Ship. um	26	30
Loblaw Inc., c.	11½	13
Minn.&Ont. P. c	3	3⅞
M'row Screw, p.	99	..
Do., com.	10½	12
Moirs, pfd.	18½	..
Mt. Royal H., c.	2½	..
Morrison Br. un.	4	6½
N. B. Tel., c.	10½	12½
Neilson, Wm., c.	10	..
Do., pfd.	100	..
N. Meth. Ldy. p	54	57
Ont. Tobacco, p	17½	21
Pac. C. Term., c.	9	10⅞
Paterson, Wm. p	103	..
Prov. Paper, pfd	105	106½
Ruddy, E. L., p.	23	26
Stand. Fuel, p.	60	64
Stedman, pf. $50	56	58
Tor. Carpet, c.	37	..
Do., pfd.	63	67
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	22	23⅞
Viceroy Mfg., p.	23	..
Do., com.	12	..
Westons Hold.	2⅞	..
Trusts & Loan Stocks:		
Brit. Mtge.	122½	132½
Brockville Tr.	40	..
Capital Tr.	28	32
Com. Fin., c.	2⅞	3
Grey & Br. Tr. $50	41	46
Guaranty Trust.	102	105
Guelph & O. $50	51	54
Indust. Mtge.	25	..
Lambton Loan	31	33
London & West.	34	37½
Midland Loan	14	16
Premier Trust	61	66
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	7	9
Do., A pfd.	85	88
Trusts & Gr. new	50	52½
Victoria Trust	73	80
Waterloo Tr.	100	..
Insurance Stocks:		
Canada Life	400	420
Brit. Amer.	50	55
Canadian Fire	81	85
Confed. 30% pd.	135	140
Continental L.	35	..
Crown, fully pd.	255	267
Dominion Fire	138	..
D. of Can. Gen.	116	122
Empire, 25% pd.	6	7
Excelsior 38% pd	70	..
Federal, 25% pd.	52	..
Great-West Life	200	210
Halifax Fire	16	17½
Imperial Life	295	310
Manufac. Life	234	242½
Monarch Life	32½	..
National Life	24½	28
Sov. L. 25% pd.	12	14
Sun Life	300	325
Tor. General	5	5½
Wellington Fire.	58	..
Western Assce.	40	44
Theatre Stocks:		
Allen's King., p.	61	..
Do. St. Cath. p	52	..
Mansf. Theat. p.	28½	30½
Para. Kitch., p.	52	..
Do., Oshawa c	8½	10½
Investment Trust Shares:		
Can. Investors	5	6
Inv. Found. un.	40	45
Sec's. Hold., pf.	19	21
United Corp., A	19	21
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	102	104½
Gt. Lakes Pr., p	102	104
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	33	..
Mtl. Is. Pwr., p.	37	..
Nor. Ont. Pr., p.	73	78

Unlisted Mines

Toronto, April 8, 1941

	Bid	Ask
Acordia	.20	.24
Addington	.00½	.01½
Albany R (Old)	.05	.07
(New)	.12	.16
Amal Kirk	.06½	.07½
Anoki	.03	.03½
Aquarius	.20	.23
Arjon	.04	.04½
Armistice	.09	.10
Argosy	.07	.08
Area	.03½	.04
Athona (Old)	.01½	.02½
(New)	.02½	.03½
Barb Lard	.01½	.02½
Bilmac	.01½	.02
Bonetal	.48	.51
Brock	.39	.41
Buff Bear	..	.04
Calder Bo	.02½	.03½
Central M	.02½	.03
Cheminis	.03½	.03⅞
Coin Lake	.03½	.04
Cons Chib	.05	.07
Crescent	.00½	.01
Dayton	.01	.02
Demp Cad	.00⅞	.01½
Desants n	.16	.19
Dona Pat	.01½	.02
E Lacoma	.00½	.01
Elmos	.06	.08
Franco	.16	.22
Galore	.01½	.02½
Gan Cop	.08	.09
Gate Pat	.00⅞	.01½
Gilbec	.01	.01½
Gord Leb	.00½	.01½
Highridge	.11	.13
Hoyle nw	.25	.27
Hugh PaP	.07	.08
Hutch Lke	.00⅞	.01½
Jasper	..	.16
Keora	.02½	.03
Kenricia	.01½	.02½
Kewagama	.01	.02
Kiena	.01½	.03
Kirk Gate	.01	.02
Lacoma	.01	.01½
Laguerre	.15	.20
Lake Duf	.20	.21
Lake Gen	.03⅞	..
Lardego	.00½	.01
Lw Pete	.14	.16
Magnet C	.80	.83
Magnet L	.17	.21
Magwell	.01½	.02½
Manik'u	1.50	2.00
Martin Bir	.03	.03½
Margaret	.09	.11
Mata Cana	.02½	.03½
Mata Con	.16	.19
McLellan	.20	.22
McMar'ac	.38	.40
MofHal n	.02½	.03½
Monarch	.01	.02
Mooshla	.01½	.02
Mosher	.04⅞	.05½
McGregor	.01	.02
McManus	.02	.03
Nat Mal	.26	.30
Negus	.65	.75
New Roy	.00½	.01
Nickel O	.75	.90
Norbeau	.16	.22
Northland (1940)	.04	.06
Norwin	.04	.07
Numalake	.13	.15
Oklend	.04½	.04⅞
O'Leary	.01½	.02½
Ont Nickel	.07½	.08½
Opemiska	.02½	.03½
Oriole	.00⅞	.01½
Orpit	.08	.09
Ossian	.00⅞	.01½
Pascalis	.34	.37
Pontiac R (Old)	.04	.07
Palangio	.01½	.02½
Phoenix	.02	.02½
Polaris	.07	.09
Propri'y	2.50	2.65
Presdor	.05	.05½
Queb M'n	.07	.09
Rahn Lake	.00½	.01½
Rand Mal	.08	.09½
Red Lake	.01½	.02
Sachigo	2.25	2.75
Sanshaw Special	.07	.09
Mines L	.04	.07
Senore	.07	.09
Shenango	.02	.02½
Sheldon	.04½	.06
Siscoe Ex	.01½	.02½
Skynner	.04	.04½
Smelters G	.01	.01½
Spooner	..	.02½
Sunbeam	.02	.03
Springer	.19	.20
Stadacona	.05½	.07
Thomson	.12	.14
Thomp Cd	.01	.02½
Treaty P	..	.12
Union Min	.03½	.04
Wasu	.04	.06
West Red	.02½	.03½
Woco	.02	.03
Y David'n	.21	.22

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

April 8, 1941

Public Utility Issues:	Int. Rate %	Due	Bid	Asked Apr. 8	Bid Apr. 1
▲‡Alg. C. H.B.R.	5	'59	6½	8½	6½
†Assoc. Tel & T.	5½	'55	72	75	72½
B. C. Power	4½	'60	98½	100½	98½
B. C. Tel.	4½	'61	106½	108½	107
†Calgary Pwr.	5	'60	105½	107½	106
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	101½	103½	102½
*Dom. Gas & El.	6½	'45	101½	103½	101½
Gatineau Pwr.	3	'49	100½	102½	101½
*Do., A	3⅞	'69	96½	98½	97½
♦Do., B	3⅞	'69	96½	98½	97½
Gt. Lakes Pwr.	4½	'56	99½	101½	99½
Do.	5	'57	96½	98½	95½
*Int. Hydro-E.	6	'44	54½	57½	54
▲Inter. Power	6	'55	101	...	101½
L. St. Law Pwr.	5	'55	98½	100½	98½
Macl'n-Que. Pr.	4	'59	96½	98½	97
Mtl. L. H. & P.	3½	'56	100	102	101
Do.	3½	'73	96	98	97
Do.	3½	'63	97½	99½	98
†Mtl. Tramways	5	'41	92½	94½	93
†Do.	5	'55	62	65	63½
Nat. Lt. & Pwr.	6	'49	100½	102½	101
N. S. Lt. Pr.	4	'58	101	103	101
Ottawa L.H.&P.	4	'57	101	103	101
Ottawa V. Pwr.	5	'59	102½	104½	102½
†Power Corp.	4½	'59	95	97	95½
Quebec Pwr.	4	'62	100½	102½	100½
*Saguenay P., A	4½	'66	109	111	109½
♦Do., B	4½	'66	105½	107½	107½
St. Maurice Pr.	4½	'70	100½	102½	100½
Shaw. W. & Pr.	4	'61	100½	102½	100½
Do.	3½	'46	100½	102½	100½
Do.	4	'69	100	102	100
Union Gas	4½	'50	102½	104½	103
*Twin C. R. Tr.	5½	'52	66	69	66
†United Secs.	5½	'52	..	55	..
‡Wpg. El., ser. A	5	'65	66½	69½	67½
Do., B	5	'65	48½	51½	50
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	64½	67½	67
Do., C.O.D.	5	'53	61½	64½	64
Acadia Sugar	4½	'55	102½	104½	102½
Do.	6	'54	97	100	97
†Alta. Pa. Grain.	6	'46	98	100	98
Algoma Steel	5	'48	102½	104½	102½
Atlantic Sugar	4	'51	100½	102½	100
†B. C. P. & Pap.	6	'50	85	88	87
†‡Do.	7	'50	106½	109½	107½
*Brown Co.	5½	'46	50½	53½	53
Burns & Co.	5	'58	57	60	59½
Canada Bread	6	'41	100	102	100
Canada Cement	4½	'51	104	106	104
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	101	103	101
Can. Steamships	5	'57	98½	100½	98½
Can. Canners	4	'51	100½	102½	100½
*Can. Int. Paper	6	'49	103½	105½	103½
‡Can. Locomotive	6	'33	87½	90½	86
‡†Candn. Vickers	6	'47	51	54	53½
C. P. R.	3½	'51	91½	93½	92
Do.	4	'49	95½	97½	95½
Do.	4½	'44	99	101	99½
Do.	6	'42	102½	104½	103
Col. Steamships	6	'54	95	98	95½
†Consol. Paper	5½	'61	64½	67½	67
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott. Inv.	4	'52	96	..	96
Dom. Stl. & Co.	6½	'55	106	108	105
Dom. Tar	4½	'51	101½	103½	101½
Dom. Woollens.	6	'53	94½	97½	96
†Donnacona P.	4½	'56	72½	75½	73½
*Dryden Pap.	6	'49	99	102	100
‡Dufferin Pav.	5	'55	55	58	54½
†East. Dairies	6	'49	78	81	79
Famous Players	4½	'51	99	101	99
†Federal Grain	6	'49	98	100	98
†Fraser Cos.	6	'50	98	100	98
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares.	4½	'52	100	102	99½
*Great L. Paper.	5	'55	91½	94½	93
Gurney Fdry.	5½	'49	69	72	70½
†Gypsum, Lime	5½	'48	98½	100½	99
Ham. By-Pr., C.	5	'55	102½	104½	102½
Do.	6	'56	100½	102½	100½
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101½	103½	101½
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	3	'51	42	45	42
*Inter. P., Nfld.	4½	'68	88	91	88
*Inv. Bond & Sh.	5	'47	48	51	48
†Kingston Elev.	6	'30	104½	106½	105
Lake St. J. P.	5½	'61	86½	89½	87½
Do.	5	'61	57	60	58
Legare	6	'61	86½	89½	87
Maple Leaf M.	3	'58	69½	72½	70½
Man. Sugar	6	'40	96	98	96

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

April 8, 1941

Miscellaneous Stocks:	Bid $	Asked Apr. 8 $	Bid Apr. 1 $
Adirondack Fdry. S., c.	10½	11½	10½
†Allens Tor. Th., p.	32	35	32½
Brown & Co., c.	1	1½	1
Can. Tube & Stl., c.	3½	4	3½
Cons. Divers. S. Se's., p	7⅞	9½	7⅞
Corrug. Paperbox, c.	½	⅞	½
Dover Industries	7	7½	7
East. Bake., p.	25½	30	25
†Ft. Wm. Hotel, units	43	50½	43
Galt Brass, c.	8	9⅞	8
Imperial Varnish, c.	8⅞	9½	8½
Ingram & Bell, new p.	79	86	79
Inter. Equities, units	25½	..	25
*Loew's Buffalo Th., p.	6½	..	6½
Loew's Lond. Th., p.	2½	3	2½
Mersey Paper, c.	4½	5½	4½
*Midland Prop's., Inc., p.	6½	..	6½
*Mt. Royal, old p.	3⅞	4½	3⅞
Murphy Paint units	99	100	99
Nat. Hosiery com.	⅞	1	⅞
Niag. L. Arch Br.	37	41	37
†N. Amer. Elev., p.	65	70	68½
Sutton Horsley	1	1½	1
Traders Fin., rights	12⅞	14	12⅞
Waterloo Mfg., new	⅞	1½	⅞
*Wentw. Radio, pref.	2½	..	2½
West Can. Hydro, p.	11⅞	12½	11⅞
West Life, 10% pd.	8½	10	8½

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid	Asked Apr. 8	Bid Apr. 1
Massey-Harris	4½	'54	92½	95½	93
McColl-Fron.	4½	'49	101½	103½	101½
McCormick's	4	'52	96½	98½	96
Do.	4½	'52	103	...	103
Mercury Mills	5	'59	92	95	92
Mersey Paper	5	'57	97	99	97½
†Do.	6	'49	99	..	99½
*M. & O. Paper	6	'45	52	55	53
Moirs Ltd.	6	'53	54	..	54
‡Mtl. Drydocks	6	'48	40	43	39
Montreal Apts.	4	'54	58½	..	58½
Nat. Grocers	4	'47	101	103	101
N. S. Stl. Coal	3½	'63	84	87	84
Price Bros.	5	'57	95½	97½	95½
Do.	4	'57	83½	86½	83
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	93	96	94
†Restigouche Co.	6	'48	98	100	98½
Rolland Paper	4½	'51	103	105	103
Ruddy, E. L.	6½	'48	100½	102½	100½
Silv. Dairies	6	'66	92	95	92
Simpsons Ltd.	4½	'51	99	101	99
Smith, Howard.	4½	'51	104	106	104
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	96	99	96
Stop & Shop	3	'47	57	60	57
United Corp.	5	'53	90	93	90
*United Gas	5½	'48	104½	106½	104½
United Gr. Grs.	5	'48	95½	97½	95½
†Western Grain	6	'49	..	..	58

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Apr. 8, 1941

	Rate	Due	Bid	Asked	Yield
†Halifax	5	1961	109.00	110.50	4.23
Hamilton	5	1950	109.00	111.00	3.55
Montreal	5	1945	93.50	95.00	6.40
Ottawa	4½	1945	104.50	106.50	2.90
†Quebec	5	1950	105.50	107.00	4.44
Saint John	5	1950	105.00	106.50	4.17
†Toronto	4½	1955	110.20	112.20	3.40
†Vancouver	5	1950	98.00	101.00	4.98
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.36	2.59
Can. Amer. Trust	2.70	3.10
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.25	3.60
Grouped Income	...	3.90
Trans-Canada	9.30	10.00

Annual Meetings

1941	Company	Place
Apr. 17	Industrial Acceptance	Montreal
Apr. 17	National Malartic G.*	Montreal
Apr. 18	Can. Dredge & Dock	Toronto
Apr. 19	George Weston	Toronto
Apr. 21	Dome Mines	Toronto
Apr. 21	Italo-Argentine El.	Buenos Aires
Apr. 21	Howard Smith Paper	Montreal
Apr. 21	Steel Co. of Canada	Hamilton
Apr. 21	Wilsil Ltd.	Montreal
Apr. 22	Ault & Wiborg Prop'y.	Toronto
Apr. 22	Beattie Gold Mines	Montreal
Apr. 22	Kewagama Gold (Que.)	Montreal
Apr. 22	Opemiska Copper	Montreal
Apr. 22	Sigma Mines (Que.)	Montreal
Apr. 23	Canada Steamship	Montreal
Apr. 23	Montreal Cottons	Montreal
Apr. 24	London Can. Invest.	Montreal
Apr. 24	Montreal Tramways	Montreal
Apr. 25	Coronation Royalties*	Calgary
Apr. 25	Canadian Marconi Co.	Montreal
Apr. 25	Firestone Petroleums*	Calgary
Apr. 25	Foundation Petroleums*	Calgary
Apr. 25	Frontier Royalties*	Calgary
Apr. 25	Hudson Bay Min.	Toronto
Apr. 25	Monarch Royalties*	Calgary
Apr. 25	Prairie Royalties*	Calgary
Apr. 25	Spy Hill Royalties*	Calgary
Apr. 25	Sundance Royalties*	Calgary
Apr. 25	Westflank Oil Co.*	Calgary

*Special.

Mining Dividends

	Rate	Close Apr. 7	Yield %
Anglo-Huronian	‡10c	2.35	..
Aunor Gold	▲8c	1.89	..
Beattie Gold	‡16c+2c	1.11	*16.2
Bralorne	80c+40c	10.00	*11.4
Broulan Porc.	12c	.87	13.8
Buffalo Ankerite	▲10c	3.60	..
Bulolo Gold	$3	19.00	15.8
Can. Malartic	8c	.56	..
Cariboo Gold	16c+8c	2.70	*8.8
Central Patricia	16c+4c	1.72	*11.5
Chesterville	5c	1.35	..
Cochenour Willans	3c	.77	..
Coniagas	‡25c	1.50	..
Coniaurum	‡16c+2c	1.35	*13.3
Cons. Smelters	$1+$1.25	36.00	*6.2
Delnite	‡6c	.95	6.3
Dome Mines	$2	22.25	9
East Malartic	‡30c	2.62	11.5
Falconbridge	5c	2.40	..
Francoeur Gold	†3c	.40	..
God's Lake	‡2½c	.28	..
Goldale	‡2c	.13	..
Gold Belt	‡4c	.26	..
Grandview	†.00½	.15	..
Gunnar Gold	6c	.27	..
Halnor	60c	5.00	12
Hard Rock	‡10c	.79	..
Hedley Mascot	‡8c	.59	..
Hollinger	65c+45c	12.75	*8.6
Howey Gold	2c	.25	..
Hudson Bay	‡$2	26.50	7.5
Inspiration	†2c	.33	..
Inter. Nickel, com.	$2	34.63	5.8
Island Mountain	‡15c	.87½	..
Kerr Addison	†15c	3.80	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.86	*13.9
Kootenay Belle	▲4c	.28	..
Lamaque Gold	‡40c+10c	4.60	*10.6
Lake Shore	$2	18.75	10.7
Leitch	8c	.49½	16.2
Little Long Lac	‡30c	1.80	..
Macassa	32c+3c	3.85	9.1
Madsen R. Lake	6c	.65	..
McGillivray Coal	‡3c+1c	.20	..
McKenzie Red L.	♦12c	1.10	10.9
McWatters	10c	.20	..
Moneta	12c	.45	..
McIntyre-Porc.	$2.22+$1.11	49.50	*6
MacLeod-Cockshutt	‡20c	1.83	..
Naybob Gold	4c	.26	..
Nipissing	15c	1.06	..
Noranda	$4	55.25	7.2
North Empire	20c	5.00	..
O'Brien Gold	‡10c	.63	..
Pamour Porc.	12c	1.30	9.2
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.22½	..
Perron Gold	16c+4c	1.51	*13.2
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.65	15.1
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.90	..
Preston E. Dome	20c+7½c	3.00	*9
Privateer Mines	‡16c+2c	.49	..
Powell Rouyn	‡10c	.75	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02½	..
San Antonio	14c+6c	2.34	*8.5
Sheep Creek	16c	.80	..
Sherritt Gordon	‡10c	.70	..
Sigma Mines	‡45c	7.25	..
Silbak Premier	16c	.80	20
Siscoe	‡11½c	.62¼	..
Sturgeon River	4c	.21	..
Sudbury Basin	‡2½c	1.20	..
Sullivan Cons.	‡9c	.60	..
Surf Inlet	‡1½c	.11¼	..
Sylvanite Gold	20c+10c	2.65	*11.3
Teck-Hughes	‡40c+5c	3.10	*14.5
Toburn	12c+8c	1.65	*12.1
Upper Canada	‡6c	1.90	..
Ventures	15c	3.60	..
Waite Amulet	‡10c	3.40	..
Wendigo	3c	.19	..
Wright-Harg.	‡40c+30c	5.60	12.5
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.
‡Paid in 1940.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.
▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Oil	♦■4c	May 1	Apr. 19
Auror Gold	4c	June 2	May 10
Ault & Wiborg, p	$1.37½	May 1	Apr. 15
Ang.-Can. Tele. p	68¾c	May 1	Apr. 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Buffalo Ankerite	■10c	May 6	Apr. 22
Bathurst Pr. P.A.	25c	June 2	May 15
Biltmore Hats	15c	Apr. 15	Apr. 3
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Brant. Cordage pf.	32½c	Apr. 15	Mar. 20
Bell Telephone	$2	Apr. 15	Mar. 22
B. C. Power "A"	50c	Apr. 15	Mar. 31
Brewers & Distil., p.	*50c	May 20	Apr. 26
Do., bonus	*10c	May 20	Apr. 26
Broulan Porc.	3c	Apr. 19	Mar. 31
Beatty Bros., 1st p.	$1.50	May 1	Apr. 15
B. C. Telep., 2nd pf	$1.50	May 1	Apr. 16
Can. Gen. Invest.	12½c	Apr. 15	Mar. 31
Can. Marconi	4c	June 1	Apr. 15
Can. Tube & Stl., p.	$1.50	Apr. 15	Apr. 8
Can. Iron Fd.	$4.50	Apr. 15	Mar. 31
Do., pref.	$3	Apr. 15	Mar. 31
Candn. Indust., pf.	$1.75	Apr. 30	Mar. 31
Do., com.	$1.75	Apr. 30	Mar. 31
Can. Car, pref.	■44c	Apr. 10	Mar. 21
Can. Nor. Pwr.	■25c	Apr. 25	Mar. 31
Do., pref.	■$1.75	Apr. 15	Mar. 31
Comm. Alcohols, p.	10c	Apr. 15	Mar. 31
Com. Alcohols, c.	15c	May 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Chesterville L.	5c	Apr. 15	Mar. 28
Can. Bk. of Commerce	$2	May 1	Mar. 31
Can. Converters	50c	Apr. 30	Apr. 10
Cochenour W'ns.	3c	Apr. 25	Apr. 10
Corr. Pap. Box, p.	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. Bronze	37½c	May 1	Apr. 21
Do., pref.	$1.25	May 1	Apr. 21
Can. Fairbanks, p	1.50	Apr. 15	Mar. 31
Coast Brew.	3c	May 1	Apr. 15
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.,	$1.75	June 1	May 15
Can. For. Invest.	70c	May 1	Apr. 15
Canadian Oil, c.	12½c	May 15	May 1
Do., extra	12½c	May 15	May 1
Distillers-Seag., p.	†$1.25	May 1	Apr. 15
Delnite Mines	3c	Apr. 30	Apr. 5
Dom Tar, pref.	$1.37½	May 1	Apr. 15
Dom. Text., p.	$1.75	Apr. 15	Mar. 31
Dominion Bank	$2.50	May 1	Apr. 19
Foundation Co.	25c	Apr. 18	Mar. 31
Gunnar Gold	3c	May 1	Apr. 15
Gt. Lakes Pwr., pf.	$1.75	Apr. 15	Mar. 31
Guaranty Trust	$1.25	Apr. 15	Mar. 31
Howey Gold	2c	May 1	Mar. 31
Hallnor Mines	15c	June 2	May 10
Hollinger Cons.	5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Int. Metal, p & A p	$1.50	May 1	Apr. 15
Do., arrears	$3	May 1	Apr. 15
Imperial Bank	$2.50	May 1	Mar. 31
Inspiration Min.	♦2c	May 30	May 1
Inter. Milling, pfd.	†$1.25	Apr. 15	Apr. 4
Inter. Nickel, pf.	†$1.75	May 1	Apr. 1
Inter. Bronze	37½c	Apr. 15	Apr. 2
Do., pref.	37½c	Apr. 15	Apr. 2
Inter. Util. pfd.	•†87½c	May 1	Apr. 21
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Kerr Addison	5c	Apr. 28	Apr. 10
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Koot. Belle G.	2c	Apr. 22	Apr. 15
Melchers Dist., pf.	*30c	Apr. 15	Apr. 5
Montreal Tele.	‡55c	Apr. 15	Mar. 31
McColl-Fron., pf.	$1.50	Apr. 15	Mar. 31
Montreal L. & Pr.	37c	Apr. 30	Mar. 31
Moneta Porc.	3c	Apr. 16	Mar. 31
Maritime Tel.	17½c	Apr. 15	Mar. 20
Do., pref.	17½c	Apr. 15	Mar. 20
Nat. Biscuit, com.	†40c	Apr. 15	Mar. 14
Naybob Gold	1c	Apr. 15	Apr. 1
Nat. Steel Car	50c	Apr. 15	Mar. 31
North Empire Mines	20c	Apr. 15	Apr. 4
Neon Pr. W. Can. p.	$1.50	May 1	Apr. 15
Noranda Mines	$1	June 16	May 20
N. S. Trust	$3.50	Apr. 15	Mar. 31
Ottawa Car Air.	20c	Apr. 15	Apr. 8
Ontario Silknit, p.	$1	Apr. 15	Mar. 31
Pamour Porc.	6c	June 2	May 10
Preston E. Dome	5c	Apr. 15	Mar. 31
Do., extra	2½c	Apr. 15	Mar. 31
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Power Corp., pfd.	■$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	■75c	Apr. 15	Mar. 31
Premier Gold	3c	Apr. 15	Mar. 15
Pressed Metals	†25c	June 2	May 15
Prov. Paper, pfd.	$1.75	Apr. 1	Mar. 15
Rem. Rand. stk. div.	10%	May 1	Mar. 14
Regent Knit, pref.	§40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 2	May 15
Silbak Premier	4c	Apr. 25	Apr. 4

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 217

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1941, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st May next, to shareholders of record at the close of business on the 31st March, 1941. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 7th March, 1941.

The Dominion Bank

Dividend No. 234

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of May, 1941, to shareholders of record of the 19th April, 1941.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 13th March, 1941.

WENDIGO GOLD MINES LIMITED

(No Personal Liability)

Kenora, Ontario

INTERIM DIVIDEND No. 2

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of the company as reduced by supplementary letters patent dated the 1st day of October, 1940, hereinafter called "new shares" and will be paid on the 2nd day of May, 1941, to holders of new shares of record at the close of business on the 21st day of April, 1941, and will be paid to persons who, after the said 21st day of April, 1941, upon the surrender of certificates for old shares, are registered as holders of new shares within one week after such registration.

The holder of a fractional share of new stock shall not be entitled to rank for a dividend.

All holders of old shares who have not surrendered their certificates and received certificates for new shares should effect such surrender through The Royal Trust Company, 66 King Street West, Toronto.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board.

HUGH R. TUDHOPE,
Secretary-Treasurer.

Toronto, Ontario, April 8, 1941.

The Montreal Cottons Limited

A Doco FABRIC

NOTICE IS HEREBY GIVEN THAT THE SIXTY-EIGHTH ANNUAL GENERAL MEETING of the Shareholders of The Montreal Cottons Limited, will be held in the office of the Company, 710 Victoria Square, Montreal, on Wednesday, the 23rd day of April, nineteen hundred and forty-one, at the hour of 12.15 o'clock P.M. for the purpose of receiving the Annual Report, electing a Board of Directors for the ensuing year, appointing auditors, and to transact such further business as may come before the meeting.

BY ORDER OF THE BOARD,

CHAS. GURNHAM,
Secretary-treasurer.

Valleyfield, April 4th, 1941.

Anglo-Canadian Telephone Company

PREFERRED DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the quarter ending April 30, 1941, payable May 1, 1941, to Stockholders of record at the close of business on April 15, 1941.

By Order of the Board,

GEOFFREY PURDY,
Secretary.

Montreal,
April 7, 1941.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 10c per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable June 16th, 1941, to shareholders of record at the close of business May 20th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont.
April 3rd, 1941.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
St. Law. Corp., A p	25c	Apr. 15	Mar. 31
St. Law. Pap., pref.	50c	Apr. 15	Mar. 31
Sheep Creek M.	4c	Apr. 15	Mar. 31
Simpsons, pref.	$1.62½	May 1	Apr. 19
Smith H., Paper pf.	$1.50	Apr. 15	Mar. 31
San Antonio	7c	Apr. 21	Apr. 5
Do., extra	3c	Apr. 21	Apr. 5
Saguenay Pr., p.	$1.37½	May 1	Apr. 15
South. Can. Pr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Sturgeon R. G.	4c	Apr. 30	Apr. 15
Spud V. Gold	2c	Apr. 10	Mar. 31
St. Law. Flour, c.	25c	May 1	Apr. 29
Do., extra	50c	May 1	Apr. 29
Do., pref.	$1.75	May 1	Apr. 29
Tuckett Tobacco, p	$1.75	Apr. 15	Mar. 31
Toburn Gold	3c	May 22	Apr. 22
Do., extra	2c	May 22	Apr. 22
Un. Gold Eq. st. c.	6c	June 30	June 16
Waite Amulet	10c	June 16	May 20
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wendigo Gold	■3c	May 2	Apr. 21
West. Grocers	75c	Apr. 15	Mar. 20
Do., extra	$1	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
Weston, Geo., c. p.	$1.25	May 1	Apr. 15
Willson Stat., pfd.	$1.25	Apr. 15	Mar. 31
Wood. Alex. J. pfd.	$1.75	May 1	Apr. 15
Zellers, com.	20c	May 1	Apr. 15
Do., pref.	37½c	May 1	Apr. 15

†Payable in U. S. funds.
*Arrears eliminated after giving effect to this payment.
■Subject to approval of Foreign Exchange Control Board.
♦Initial.
§40c also payable Sept. 1 and Dec. 1.
°Subject to approval at annual meeting.
‡Net payment after deducting corporate income tax.
•Subject to approval of Securities and Exchange Commission.

Mar. Loew's com. & pf.
Windsor Arms 6½/47
Dom. Woolens 6/53
Dunlop Tire pfd.
Canada Wire pfd.
Donnacona B
Life Ins. Shares

A.J.Pattison,Jr.&Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

Acme Farm. Dairy pfd.
B.C. Pulp 6's 7's pf., co.
Can. Gen. Investments
Burns 5/58 A & B
Can. Vickers 6/47
Abitibi 5/53
C.I.L. A. B. & pf.

Pool Tax Case In Limelight

Must Decide Whether Grain Organizations Still Co-operatives

From Our Own Correspondent

OTTAWA.—Fresh attention has been attracted to the exemption from federal corporation income taxes enjoyed by the western wheat pools. Reports that co-operatives would be required to file income tax returns this year stirred wide interest and resulted in a flood of letters to members of Parliament that still continue.

The status of the big wheat pools, it is pointed out, has undergone change under the development of national wheat marketing policy dating back to 1931. Whether the pools now qualify as co-operatives entitled to tax exemption is a matter of legal interpretation on which federal officials have been reticent to give a formal ruling without detailed study.

Will Tax if Taxable

The attitude of the national revenue department is that all taxable concerns will be taxed, and for the time being any further comment is being withheld in official circles. The War Income Tax Act provides exemption for all co-operatives, with or without share capital, which operate on a co-operative basis. Briefly this means that all profits on sales or purchases are distributed to patrons on the basis of business each has contributed, after deduction of necessary expenses and reserves.

The point at issue is whether or not the prairie wheat pools have operated on a co-operative basis, within the meaning of the act, in recent years. The obligation to members of a co-operative to turn over to them profits from sales, less expenses and reserves, it is argued, no longer holds since the pools became ordinary purchasers of grain to sell on their own behalf.

Net earnings of the prairie wheat pools for 1939-40, as reported in financial statements, were:

Manitoba	$ 492,062	263,760
Saskatchewan	2,667,681	2,667,582
Alberta	764,283	764,283
Total		$3,695,625

In 1931, the western wheat marketing co-operatives abandoned the pooling of grain, it is argued, and since then have operated by buying grain at the market price and handling it in the ordinary way of the line elevator companies. An analogy is drawn between the pools and the United Grain Growers Ltd., a farmers' commercial company, that pays income taxes on its profits. In marketing his wheat through the pools, it is pointed out, the farmer has no further claim, as a member or shareholder, after he accepts the market price.

If the pools continue to enjoy tax exemption as co-operatives, it is argued, the door is open for the reorganization on a so-called co-operative basis of all companies dealing with farmers to secure not only tax exemption but also parity with present co-operative competitors.

"Britain Delivers the Goods"

and still continues to produce fine woollens, despite heavy enemy action.

An exceptionally fine assortment of worsteds and tweeds for Spring wear have now arrived. May we have the pleasure of showing you these fabrics.

Levi Bros.
MAKERS MEN'S CLOTHES
69 KING STREET WEST, TORONTO

DIVIDEND NOTICES

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares payable May 1st, 1941 to Shareholders of Record April 15th, 1941.

BY ORDER OF THE BOARD

T. E. McDermott,
Treasurer

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared a quarterly Dividend of 20c per share on the No Par Value Common Shares, payable May 1st, 1941, to Shareholders of Record, April 15th, 1941.

BY ORDER OF THE BOARD

T. E. McDermott,
Treasurer

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable June 16th, 1941, to shareholders of record at the close of business May 20th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, April 4th, 1941.

Commodities

Prices Display Mixed Trend

U. S. Farm Aid Programme Important Factor—Hides Are Firmer

While commodity prices have again worked higher, the advance lacked some of its former breadth and strength. Recessions were mixed with advances, and in a number of instances there was no change.

One of the main factors at work as regards the agricultural group was the hog-dairy products programme of the U. S. Government to bolster farm prices. The effect of this, it was felt, would be to raise prices higher. Already the immediate supply situation as regards both cattle and hogs was regarded as firm and Washington's attitude accentuated the situation.

Hogs on the Canadian market were slightly higher. In some quarters a strong U. S. demand for Canadian hogs is expected in coming months.

Rubber prices eased in spite of continued shipping difficulties, and buying by the United States Government to accumulate an emergency stock pile. The easier tone seemed to be due to the offering of off-grade supplies. Hides were firmer under a better demand from tanners.

Of four spot indices, three were higher and one unchanged. Dow, Jones futures index of commodity prices was slightly lower.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$9.50	$7.50
Hogs	11.30	11.25	11.50
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1158	.1161	.1104
Rubber, lb.	.2225	.2287	.1850
Silk, lb.	2.85	2.88½	2.55½
Sugar, raw, lb.	.0340	.0340	.0277
Wheat, Man. (bu.)	.76	.75⅞	.87⅝
Coffee, lb.	.06⅝	.06⅝	.05½
Hides	.14½	.14	.12½
Weekly Indices			
Canada (D.B.S.)	86.0	86.0	83.2
Do., Wood, Gundy	69.9	69.8	67.8
U. S. Labor	82.0	81.6	77.9
Dow Jones (future)	63.77	63.89	58.62
Fishers'	88.7	88.3	83.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)*	108.2	108.3	103.8
W'sale (Feb.)	85.2	84.6	82.8
U. S. (Jan.)	80.8	80.0	79.4
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Dominion Coal Busy

Dominion Coal Co. collieries in Cape Breton set a 1941 production record last month when 398,148 tons were hoisted from the 10 company mines. Output exceeded February's total by nearly 70,000 tons and was 70,271 tons greater than in March, 1940.

C. S. L. Season Starts

Canada Steamship Lines has started initial operations on the Great Lakes. The coal carrier "Coalhaven" has been put into service, plying around Sandusky in the soft coal trade.

Week in Wheat

Visible Drop Continues As Deliveries Lag

Expect Storage Stocks to Keep on Declining Until Seeding Over and Farmers Have Opportunity to Get Out Wheat

From Our Own Correspondent

WINNIPEG.—The Canadian visible supply of wheat continues to decline, as export and domestic milling needs exceed current farm deliveries. This trend may continue until the end of May, as farmers will be too busy with seeding to haul much grain.

For the immediate present deliveries are slow in some places because of congested elevator space, and in others because of heavy roads.

From the southern states come reports that the earlier promise of winter wheat is not being maintained. The next crop estimates are expected to show a considerable decline. There is nothing yet, however, to suggest that the United States will not produce a considerable surplus of wheat over its actual needs, presumably to be added to the large carryover which will exist at the end of the current crop year.

July Future Firm

An interesting feature of the wheat market is the way in which prices for the July future have remained close to the top level for the season. These are well above the Wheat Board basic price plus farm storage, in spite of an expectation that when new crop futures come to be traded they will strike a lower level. The latter expectation is based on the fact that commencing Aug. 1 the Wheat Board initial payment will revert to 70 cents, the difference being the farm storage charges on old wheat, by then off the market. From 70 cents on Aug. 1 it will climb gradually during the year until the 76-cent level is again reached at the end of the new crop year.

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To Sell Freely?

It is generally assumed that farmers will sell freely at slightly above the Wheat Board level and that in consequence the October future, when it goes on the Board, cannot maintain the present existing level of prices. That expectation, however, may be defeated by the small deliveries of new crop wheat which at first will be made on account of elevator congestion. Arrangements for quoting the October future have not yet been made and it is assumed that a pegged level will be arrived at in consultation between the Grain Exchange and the Canadian Wheat Board.

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Reconciled to Price

While active criticism of the Government wheat policy has continued at Ottawa and requests have been made that the Government increase its basic price, reports from the country appear to indicate that farmers are reconciled.

They are more concerned with planning their seeding programme and determining to what extent they will revise it in order to take advantage of Government bonuses for diversion of wheat acreage to other uses.

See Flax Gain

The new Government agricultural policy is likely to result in a substantial increase in flaxseed acreage in 1941, predicts the current letter of James Richardson & Sons. Under the scheme, prairie farmers will be paid $2 per acre if they divert wheat acreage to coarse grains, which have been defined as including barley, oats, rye, corn, peas, flax and millet. "Flaxseed," it is said, "should prove one of the more attractive alternative crops in suitable areas, particularly if prices remain anywhere near their present levels. The limiting factors on acreage expansion are seed supply and the natural hazards associated with the growing of flaxseed."

Flax yield in the three prairie provinces in recent years has amounted to about 3 million bushels from approximately 400,000 acres. In the early days flax was used mostly as a first crop on new land. Periodically attempts have been made to extend the acreage but with indifferent success.

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Argentine Corn Crop

The 1940-41 Argentine corn crop—on the basis of latest acreage estimates and a continuation of favorable weather—is now expected to be 400 to 470 million bushels, according to a report by the U. S. Office of Foreign Agricultural Relations. In 1939-40 the crop amounted to 408 million bushels. The average for the preceding 5-year period was 311 million bushels.

With a large new crop in sight and an exportable surplus of around 250 million bushels of old-crop corn still on hand on March 8, disposal of the new crop is a problem. Under world conditions prospects for corn exports from the 1940-41 crop are poor. The Argentine Government already has announced it would purchase all new-crop corn offered by growers at a guaranteed minimum price, not yet fixed.

Mining Company Reports

International Mining

With $425,000 allowed for mining venture losses compared with $200,000 in the previous year, International Mining Corp. experienced an overall loss last year equal to 32 cents a share against profit of 43 cents the preceding year.

A total of 26,500 shares were reacquired during 1940 at a cost of $137,058, reducing outstanding shares to 490,473. It is intended to retire further shares at times deemed favorable, it is stated.

Net asset value as at Dec. 31, 1940, amounted to $4,820,364 or $9.83 a share after deducting taxes and reserves for mining venture losses but not excess profits tax.

Cash and receivables amounted to 10.55% of assets. Investments in quoted stocks amounted to 45.25%.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Dividends	316,298	359,035
Interest	27,577	8,791
Miscellaneous inc.	11,259	32,407
Total income	355,134	400,233
Total expenses	141,233	177,924
Net profit before prof. or loss realized on securities	213,901	222,309
Less: Common divds.	199,029	222,309
Earned surp. fwd.	14,872	nil

Investment Transactions Account
Years Ended Dec. 31

	1940 $	1939 $
Prof. on secs., etc.	126,543	421,777
Less: Mine examin.	72,306	83,051
Res. for losses	425,000	200,000
Income taxes	......	58,000
Bal. to invest. surp.	*370,763	80,726
Add: Prev. surp.	181,917	112,540
Less: Prop. of divd.	......	11,349
Invest. trans. surp.	*188,846	181,917
*Deficit.		
Earnings per Share and Dividend Record:		
Earned*	$0.44	$0.43
Earned▲	d0.76	0.16
Total earnings	d0.32	0.59
Paid	0.40	0.45

*Calculated from income and surplus account.
▲Calculated from investment transactions account.
d—Deficit.

No. of Shs. Outstand.	490,473	516,973

Granby Consolidated

Decrease in the average copper price received from 11.295 cents in 1939 to 10.298 cents a pound in 1940, resulted in a drop in profits of Granby Consolidated Mining Smelting & Power Co. net profit to $560,609 in 1940 from $747,168, the record 1939 figure.

Earnings were equal to $1.25 a share in 1940 against $1.66 a share in 1939. Dividends were increased from 25 to 80 cents a share. Semi-annual dividends are now being considered instead of quarterly payments to save expense.

The excess profits tax is stated to bear particularly hard upon companies which were not in operation from 1936 to 1939 inclusive, or which have a low capitalization. Application for relief have been made for the company which comes in this category. According to Julian Beaty, president, legislation to amend this situation will be brought down shortly.

Details on ore treated are not given at the request of the Dominion Government. However, reserves of shipping ore are reported to have been increased 2,097,961 tons at the company's Copper Mountain mine. Tonnage of ore mined "increased substantially."

Power plant capacity was increased from 7,600 kilowatts to 17,500 kilowatts in 1940 to meet present requirements and to provide an adequate supply to care for any further increase in production.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Metals produced	4,617,641	4,434,757
Less: Prod. & mktg.	3,256,049	2,948,699
Admin. expenses	51,387	41,403
Insur., taxes, etc.	114,719	102,540
New York expense	33,628	33,104
Operat. profit	1,161,858	1,309,011
Less: Debent. interest	16,028	23,898
Debent. int. exp.	......	19,234
Depletion	43,268	44,519
Depreciation	241,953	187,021
Plant reconditioning	......	72,251
Taxes	300,000	214,920
Net profit	560,609	747,168
Less: Dividends	360,186	112,558
Surplus for year	200,423	634,610
Add: Prev. surplus	743,374	114,501
Property sale	......	2,600
Phoenix sales	......	4,680
Less: Misc. adjusts.	......	13,017
Surplus forward	943,797	743,374
Earnings per Share and Dividend Record:		
Earned	$1.25	$1.66
Paid	0.80	0.25
No. of Shs. Outstand.	450,261	450,261
5% Conv. Bonds	$277,200	$398,200
Working Capital	$	$
Current assets	1,088,325	1,128,840
Current liabilities	352,844	356,513
Working capital	735,481	772,327

Inter. Metal Industries

Profits of International Metal Industries Ltd. for 1940 exceeded those of any previous year since 1930, according to W. E. Maun, vice-president and general manager. After allowing for regular $6 a share annual dividends on the preference and preference A stocks, the balance available for class A common in 1940 was equivalent to $3.22 a share compared with $2.62 a share for 1939.

A substantial increase in volume of business in both Canada and the United States last year enabled the Canadian companies to produce greater earnings and the American subsidiaries to show slightly improved results in spite of trouble with competitive prices. Plants in both Canada and the United States have substantial war orders and this business is expected to increase considerably.

Regular preference dividends of $6 a share were paid and in addition payments on arrears totalled $12 a share. This reduced arrears to $13 a share after allowing for another $3 a share extra being paid on May 1 this year.

The company spent about $240,000 on plant and equipment last year.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net oper. profit	1,614,667	1,357,750
Less: Depreciation	190,309	151,074
Exec. remuner.	93,500	90,499
Legal fees	38,932	28,538
Income & E.P. taxes	*475,000	329,000
Add: Exchange prem.	57,000	......
Invest. income	4,400	6,851
Net profit	878,328	765,490
Less: Pref. dividends.	881,497	203,427
Surplus for year	†3,169	562,063
Add: Previous surplus	1,190,802	628,739
Earned surplus fwd.	1,187,632	1,190,802

*After deducting $100,000 reserve provided in previous years.
†Deficit.

Earned per Share:		
Pref. & pref. A	$19.43	$16.93
Paid	19.50	6.00
Class A	3.22	2.62
No dividends paid.		
Shares o/s:		
Preference, $100 par	30,820	30,821
Pref. A, $100 par	14,385	14,385
Class A, n.p.v.	188,312	188,312
Class B, n.p.v.	50,000	50,000
Working Capital	$	$
Current assets	6,472,305	5,678,935
Current liabilities	1,881,274	969,808
Working capital	4,591,031	4,709,127

Tombill Gold

A net profit of $278,658 or 18 cents a share is reported by Tombill Gold Mines for 1940 in its first published report to shareholders. Acquisition of Elmos Gold Mines on a 1-for-5 share basis in 1940 resulted in increasing outstanding capital from one million to 1,520,000 shares.

No additional ore is expected in the main south ore zone at Tombill, shareholders are informed by President Percy Hopkins. A long crosscut is being put out to a north zone which drilling has indicated to have some possibilities.

Income and Surplus Account
Years Ended Dec. 31

	1940 $
Bullion production	645,882
Less: Marketing	7,514
Net production	638,368
Less: Operating costs	242,284
Other expenses	1,668
Operating profit	394,416
Add: Interest	209
Total net income	394,625
Less: Development w/o	34,328
Depreciation	23,790
Taxes	57,849
Net profit	278,658
Less: Dividends	100,000
Surplus for year	178,658
Add: Previous surplus	297,361
Surplus forward	476,019
Earnings Per Share and Dividend Record:	
Earned	$0.18
Paid	0.10
No. of Shs. Outstanding	1,520,000
Working Capital	
Current assets	[illegible]
Working capital	329,068

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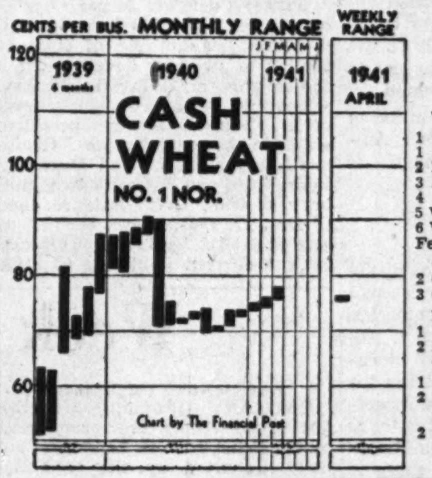
Montreal Trams Gain

Revenue passengers carried by Montreal Tramways Co. in the first quarter of 1941 totalled 64,945,749, an increase of 13.2% over first quarter of 1940. For the three months ended Dec. 31, 1940, the system reported an expansion of 12.04%, while the increase in passengers carried for the full year was 8.06%.

Simon & Sons Up 30%

Sales of H. Simon & Sons Ltd. in the first quarter ended March showed increase of about 30% compared with first quarter, 1940, according to Arthur Simon, president. Volume generally represented better class than a year ago, with higher priced lines moving freely.

Wheat Prices



Cash Quotations

	For Week Apr. 7 High	For Week Apr. 7 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.76	.75⅝	.76	.75⅛
1 Nor.	.76	.75⅝	.76	.75½
2 Nor.	.74⅛	.73⅝	.74⅛	.73½
3 Nor.	.71⅝	.71	.71⅛	.70¾
4 Nor.	.69⅝	.69	.69⅛	.68½
5 Wheat	.69⅝	.69	.69⅝	.68½
6 Wheat	.66⅜	.65⅞	.65⅞	.64⅛
Feed	.63⅞	.63½	.63⅞	.62½
Oats:				
2 C. W.	.36⅞	.36⅜	.37⅛	.35¾
3 C. W.	.35⅛	.34⅞	.36⅛	.34⅞
Barley:				
1 Feed	.52¾	.51¾	.53	.51
2 Feed	.50⅝	.49⅛	.50½	.48½
Flax:				
1 C. W.	1.76⅛	1.66½	1.89¾	1.80⅝
2 C. W.	1.75	1.64⅜	1.88¼	1.70½
Rye:				
2 C. W.	.59⅜	.55¾	.56⅝	.54¼

Winnipeg Grain Futures

Week to Apr. 7, 1941

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Apr. 1	High for week	Low for week	Close Apr. 7	Close year ago
		Wheat					
.79¾	.71⅝	May	.76⅞	.77¼	.76⅝	.76¾	.88⅞
.81⅜	.77½	July	.78½	.79	.78⅛	.78½	.90
		Oats					
.36⅞	.25⅝	May	.36¼	.36⅝	.35⅞	.36¼	.38¼
.35⅝	.29½	July	.34⅞	.35⅛	.34⅝	.34⅞	.37
.33⅝	.30¾	Oct.	.33⅛	.33⅜	.32⅞	.33	.35
		Barley					
.51⅞	.33⅝	May	.51⅛	.51⅝	.50½	.51	.52
.48¾	.39⅞	July	.48	.48¾	.47⅝	.47¾	.50⅝
.45⅞	.41⅞	Oct.	.45⅛	.45¾	.44⅝	.44⅞	.48⅞
		Flax					
1.93¾	1.16	May	1.81½	1.82¼	1.65	1.67½	2.28
1.92⅝	1.29½	July	1.80	1.80¾	1.63½	1.68⅝	2.27⅛
1.79¾	1.44⅝	Oct.	1.71½	1.71⅝	1.60	1.62½	2.24⅛
		Rye					
.60¾	.44¼	May	.57	.60¾	.56⅛	.60⅛	.69⅞
.60⅞	.47⅞	July	.57⅛	.60⅞	.56⅝	.60⅛	.70⅝
.58¾	.56	Oct.	.56	.58¾	.56	.58¼	.71⅛

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Week in Mining

Eastern Zinc Smelter Under Consideration

Zinc Demand Exceeds Supply But Several Factors in Way of Erecting New Canadian Zinc Plant — Time an Important Consideration

Shortage of zinc supplies to meet Canada's war effort has recently caused a new review of the possibility of establishing a zinc smelter in eastern Canada, The Financial Post is informed. At present zinc is being smelted and refined in only two places in Canada—at Hudson Bay Mining and Smelting Co., at Flin Flon, and at Trail, B.C., by Consolidated Mining and Smelting Co.

Plenty of potential sources of zinc concentrates exist in eastern Canada and at least three financial groups have considered the zinc smelter proposition lately. No decision has yet been reached, however. Several factors are being taken into consideration. Perhaps the most important adverse item is the two years that might be required to get a smelter in production. By the time two years elapsed war demand may be over. While there is plenty of zinc ore available, each type of concentrate presents its own metallurgical problem.

In view of these two factors, no one has so far been willing to undertake the major expenditure a zinc smelter would involve. Some increase in zinc production is no doubt being secured at Hudson Bay Mining and Smelting Co. but it appears doubtful if output can be expanded much farther. Further enlargement would involve capital expense of major proportions and the company's power site is understood to be too small to meet power requirements for a much larger plant.

* * *

New Non-metallics

Canada is building up an interesting list of non-metallic mineral deposits. For years this country has held the outstanding position in the world in asbestos production. With Springer Sturgeon Gold Mines bringing its Nova Scotia baryte property into production, an important part may also be played in the baryte field.

The newest development in nonmetallics is the financing to production of Canada China Clay. This will supply clay for both chinaware and for sizing paper. Supplies of silica sand for making glass—formerly imported—will also be secured from the property of Canada China Clay.

* * *

Murdoch on Gold

Several interesting commentaries on the future position of gold have been heard at mining company annual meetings recently. One is that of J. Y. Murdoch, president of Noranda Mines. He said:

"When you hear talk of gold losing its value, please remember that there must be a 'marker' and that gold has been the universal medium of exchange for centuries. It is 'in our blood' and like silver to the Chinese, it will be almost impossible for the world to accept 'barter' or another form of "marker.' The lesson today is that the huge reserves which have been accumulated, particularly by Great Britain and the United States of America, are financing our fight for freedom of life. The problem is one of constructive redistribution rather than abandonment and substitution."

* * *

Macassa Cuts Vein

For months Macassa Mines has been putting out a crosscut to the south at its 3,000-ft. level to allow exploration of the adjoining property of Amalgamated Kirkland Gold Mines, being financed jointly by Macassa, Ventures, International Mining Corporation and associates.

This week news came down from the north that a vein has been encountered in this exploratory crosscut. Details are not available on ore dimensions but the vein appears to lie entirely in Macassa ground.

Two or three more months of work will be required before Amalgamated Kirkland ground is reached, it is stated.

* * *

Inco and the War

Apparently the Petsamo nickel deposits developed by International Nickel Co. are a bone of contention between Russia and Germany. According to a dispatch from Stockholm there is a rumor that the International Nickel interests recently sold their shares to Russia to widen the cleavage between Russia and Germany as to who is going to control these deposits, now in process of being restored.

Developments in the situation as reported from Stockholm by The New York Times are as follows:

"After the peace the Russians demanded that the Finns nationalize the mines and, while retaining its rights for the future, the International Company acquiesced 'out of regard for Finland's difficult position.' A purely Finnish company was created, headed by Baron von Wrede. Moscow and Berlin agreed that 60% of the production should go to Germany and 40% to the Soviet Union.

* * *

Russians Take Over

"Last December, however, the Russians called off the deal and demanded creation of a joint Finnish-Russian company with 51% of the shares to be held by Russia and a Russian majority on the board of directors, while Russia was to get the entire production of mines.

"In January the Finns sent a delegation to Moscow to negotiate a new agreement. The delegation returned early in March without reaching an agreement. The Finnish ministers to Moscow and Berlin visited Helsinki soon afterward.

"The Finnish Government is reported to have sent to London recently a prominent businessman. Baron Ramsey, who tried without success to learn what disposition had been made of the Canadian shares. It is rumored that the Canadians sold their shares to Russia with the purpose of widening the disagreement between Russia and Germany."

Hard Rock Mill Being Raised

Additional equipment is now being installed at Hard Rock Gold Mines which is expected to increase potential milling capacity by about 100 tons daily within six weeks. The new equipment will handle gold-bearing quartz which directors do not wish to put through the roaster.

Recovery from the gold quartz treated is expected to average in the neighborhood of 98%. An increase in production is expected with the new equipment.

Production in the three months ended Mar. 31, 1941, totalled $310,240 from 30,832 tons of ore. This compares with $326,004 from 29,212 tons the previous quarter. Mill heads ran $11.25 a ton in the latest quarter with recovery averaging $10.06 a ton.

Gold Frontier To Build Mill

Cyanide Unit of 125 Tons Capacity Purchased—Stock Financed

A cyanide mill of 125 tons capacity has been purchased by Gold Frontier Mines, Red Lake area, Ont., and erection is to be carried out under the direction of Shoemaker & Burnham.

In order to finance installation, all options on treasury stock up to Sept. 2, 1941, have been converted into a firm commitment. This provides over $100,000 immediately for purchase of the mill and construction, it is stated. Dates of the long term options have been advanced to provide additional development money in the near future.

Raises Confirm Ore

Recent work is stated to have opened up substantial bodies of high grade ore, with raises now underway giving a good check on ore and grade between levels. Results from these levels hastened the mill decision. While it is still too early to estimate available ore reserves the management is satisfied that substantial reserves of high grade ore are available.

Negotiations have taken place with the Hydro-Electric Power Commission concerning power. Power is available in the Red Lake area and terms are reasonable, it is stated.

See Production by August.

Equipment will commence to move into the property when navigation opens early in May. Production will start during August, it is hoped.

Drifting carried out on the first level shows two ore bodies, one 150 ft. long averaging $19.50 across 5 ft. and the second 50 ft. long running $38.50 over 12 ft. Both east and west faces are again in ore.

Work is not as far advanced on the second level as on the first level but a length of 60 ft. has been opened up averaging $41.58 across an average width of 7 ft.

Mining Concentrates

Buffalo Canadian Gold Mines is undertaking financing of Avalard Gold Mines, east Kirkland Lake area. A firm commitment and option are stated to have been completed covering 1.2 million Avalard shares to give Buffalo Canadian control if all options are exercised. Avalard's property is a mile east of Upper Canada and directly south of Beaverhouse Lake Gold Mines. A quartz vein with a length of at least 500 ft. was disclosed a few years ago with an average width of 8 ft.

* * *

Dome Mines production showed a considerable increase in March:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
March	53,400	1,723	12.37	660,375
February	48,800	1,743	13.08	638,416

* * *

Howey Gold Mines is now operating on a purely salvage basis, shareholders were informed by President R. T. Birks, at the company's annual meeting. It is expected profitable operations will continue at least through 1941, he stated. W. S. Cherry, Jr., was elected to the board of directors to fill the vacancy created by death of his father.

* * *

Hughmar Gold Mines is now having a geophysical survey of its property undertaken by Hans Lundberg Ltd. Tests of samples at Ottawa are stated to indicate treatment by oil flotation with amalgamation. Approximately 50% of gold can be recovered in amalgamation. A concentrate contains 95% of the copper values and 44% of the remaining gold values.

* * *

Wiltsey-Coghlan Mines carried on no work in 1940 but policy of directors remains one of close attention to any new development in the neighborhood that might have a bearing on the company's properties, Denison Denny, president, states in the annual report. Groups are held in Rouyn and Dufresnoy twps., Que., and Fairbank twp., Sudbury district, Ont. Balance sheet at Dec. 31, 1941, shows current assets of $11,512 including $5,970 cash against current liabilities of $197.

Mentor Exploration & Development Co. must limit its activities until one of the companies in which it is interested may attain a greater measure of success, shareholders are informed by President Denison Denny in the company's annual report. Principal holdings comprise 1,077,565 shares or Wiltsey-Coghlan Mines, 294,400 shares of Sudbury Contact Mines and 280,000 shares of Abbeville Gold Mines. Sudbury Contact did some diamond drilling last year and retains a large interest in Lapa Cadillac Gold Mines. Mentor balance sheet at Dec. 31, 1940, shows $1,678 current assets versus $912 current liabilities.

* * *

Opemiska Copper Mines (Quebec) dropped a further 10 outlying claims considered of no importance during 1940. Remainder of the claims were kept in good standing. Apart from statutory assessment work no serious work was completed last year, President Lindsley states in the company's annual report. Balance sheet as at Dec. 31, 1940, shows $86 cash, $25,712 of supplies against $1,384 current liabilities.

* * *

Privateer Mine results secured on its Prident property are perhaps the brightest spot in recent development, according to D. S. Tait, president. Stoping has been started on one of the ore shoots there with the ore now being sent to the mill. The first two cuts were stated to average 6.05 oz. per ton over a width of 0.56 ft. for a length of 56 ft. The remaining 20% interest in the Gold Peak No. 4 claim was recently acquired.

* * *

Kewagama Gold Mines (Quebec) carried out no development last year, but 2,723 tons of ore from previous underground work was treated by agreement at the Central Cadillac mill with $34,500 or $12.66 a ton recovered. Net return to the company after all charges was $15,865. Balance sheet at Dec. 31, 1940, shows $18,446 current assets including $17,784 cash. Current liabilities were $63.

Week in Oils

From Our Own Correspondent

CALGARY.—Providing a further test of the theory first propounded by Geologist J. O. G. Sanderson and now supported by the Dominion Geological Survey chief, Dr. G. S. Hume, that the great limestone ridge from which Turner Valley produces extends at reasonable depths far to the north and west of the present producing area, arrangements have been made for the drilling of Major Oil Investments No. 5 well in L.S.D. 14 35 21-4w5. Drilling permit for the new venture has been issued and operations will start shortly.

The new site is about 4½ miles northwest of the Atlas-British Dominion No. 2 well, present most northerly drilling well in Turner Valley and 6½ miles northwest of Alberta Oil Incomes No. 2, the field's present most northerly producer. The Inland-Sarcee No. 1 drill-test on the Sarcee Indian Reserve, about 6½ miles north and west of the Major No. 5 location, is, like the Major and Atlas British Dominion wells, testing the Sanderson and Hume theory.

All three ventures are expected to log somewhat shallower than the Alberta Oil Incomes producer which should assure that crude oil production will be obtained according to Dr. Sanderson.

* * *

Daily Output Up

Preliminary figures on March production show a 1,200 barrel per day increase over the yield in February. All but a small part of the increase was due to increased yield of wells which were on production during February, indicating that the March revised allowables better reflect efficient operating rates than February allowables.

The preliminary figure for daily average Turner Valley yield from all sources during March is 26,840 bbls., made up of 25,780 bbls. for limestone oil wells, 140 bbls. for limestone naphtha wells, 17 bbls. for shallow oil wells and 903 bbls. for absorption plant gasoline recovery from Turner Valley "wet" gas.

* * *

April Up on March?

The official daily average for February was 25,663 bbls. with limestone oil wells accounting for 24,601 bbls. The all-source average for January was 25,237 bbls. and the December figure was 23,190 bbls.

It is expected April all-source daily average will at least equal and more probably exceed the March estimate, continuing the upward trend noticeable in the records of production since the first of the year.

* * *

West Well at Devonian

The Northwest No. 1 well on the Blood Indian Reserve, going down deep for a test of the Devonian limestone after failing to obtain commercial oil production in the Madison lime, reached its new objective during the week end at 7,290 ft. Drilling is now proceeding about 289 feet in the Devonian below 7,579 ft. While some showings of oil and gas have been noted in the rotary drill-fluid since topping the Devonian, they are apparently not yet promising enough to warrant a full-fledged production test.

Making rapid progress, two more wells are now near completion in the Princess oilfield. Anglo-Steveville No. 3, spudded in by Drilling Contractors Ltd. on March 30, was down to 1,649 feet on April 7 depite the loss of three days while surface casing was set. The Madison lime is expected about 3,200 ft. Standard of B. C.'s Princess No. 4 well, spudded in by Can-Tex Drilling Co. on March 20, was down 2,591 ft. on April 7, with coring expected to start about 3,100 ft. around 150 ft. above the Madison lime.

Agree Securities Appeal Desirable But Strong Differences as to Form

While right of court appeal from decisions of the Ontario Securities Commission was well on the way to becoming law this week, opinions voiced on the new securities act amendment have differed widely. That some appeal is desirable was not disputed. But the form that this appeal should take has proved a subject of controversy.

The prospecting fraternity—as represented by the Ontario Prospectors and Developers Association—has taken the attitude that a direct appeal to the courts should be granted; that the Board of Review provided for appeals from the Commissioner's decisions is a fifth wheel to the coach. Going a step farther, the association would abolish all regulations except the Statute of Frauds and the Criminal Code. They would scrap entirely the Board of Review which, as constituted, will comprise the Master of Supreme Court of Ontario, the Judge of the Mining Court and the Deputy Minister of Mines.

From the viewpoint of both investor and people interested in mining finance, however, this Board of Review may be a desirable feature of the new legislation. Granting the right of court appeal at all might be a step backward, it is pointed out. Confusion over rulings might be compounded with every action of the Ontario Securities Commission if placed on a legalistic basis.

If decisions of the Ontario Securities Commission become the basis of long drawn-out court decisions—as is possible—people interested in financing new mines might find that determination of what existing law really was, was a difficult, expensive process; that the virtue of flexibility would be lost.

The Board of Review, it is felt, will go far to strengthen the hand of the Ontario Securities Commissioner. It would be able to go much farther if its decision did not face the danger of litigation.

Mining men realize that it is the unscrupulous promoter who has been in large measure responsible for the decline in prospecting. Here is the recommendation of the Ontario Prospectors and Developers Association on this point:

"In dealing with the people interested in the sale of mining securities, cognizance should be taken by the Commission of the stake the person may have in the country, as to whether he is a good citizen or has contributed to the mining industry in the past. The greatest harm has been done to the mining business by fly-by night operators — people with no stake in the country, and who, having done their nefarious work, may remove themselves and their belongings from the country in a few hours."

Mining Company Reports

Sudbury Basin

Decline in earnings from 19 to 8.3 cents a share reported by Sudbury Basin Mines in 1940 is a direct result of suspension of dividends on the Falconbridge Nickel Mines not completely offset by increased dividend income from other sources.

In spite of lower income, however, the company continued to participate in financing Hoyle Gold Mines and La Luz Mines.

American Nepheline Corp., in which Sudbury Basin is interested, is selling increased quantities of nepheline syenite to the pottery trade and chances of further growth are stated to be promising.

By next fall it is expected that after setting aside adequate reserves, the major balance of income will be distributed in dividends.

Reported Shareholdings

	Shares 1940	Shares 1939
Falconbridge Nickel	1,188,810	1,188,810
Hoyle Gold Mines	471,774	366,782
La Luz Mines	*280,787	250,787
Matachewan Consol.	936,172	930,972
Beattie Gold Mines	47,400	48,000
Canadian Malartic	882,882	882,882
Lake Dufault	79,500	78,000
Sherritt Gordon	254,690	254,690

*If all options on La Luz stock are exercised, the company's interest will be increased from 20.71 to 20.99%.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Divds. & interest	223,148	451,835
Profit on securities	14,061	59,837
Sundry net income	6,411	37
Total income	243,620	511,709
Less: Admin. & gen. exp.	11,621	12,025
Securities w/o	19,760	23,620
Trs. to inv. res.	50,000	100,000
Explor. exp. w/o	9,826	33,414
Advances w/o	3,734	1,200
Prov. for taxes	8,000	12,127
Net profit	140,679	329,323
Less: Dividends	42,241	84,475
Surplus for year	98,438	244,848
Add: Prev. surplus	657,769	412,921
Surplus forward	756,207	657,769
Earnings per Share and Dividend Record:		
Earned	$0.083	$0.19
Paid	0.02½	0.05
No. of Shs. Outstand.	1,689,505	1,689,505
Working Capital		
Current assets	213,555	266,445
Current liabilities	16,426	31,080
Working capital	197,129	235,365

Sladen-Malartic

Net profit of $70,607, equal to two cents a share, was realized by Sladen-Malartic Gold Mines in 1940 against a loss of $38,591 the previous year. After taking care of capital expenditures of $75,412, working capital amounted to $76,338 at the end of 1940 against a $40,337 excess of current liabilities over current assets at the end of the previous year.

Ore reserves increased approximately 100,000 tons in 1940 totalling 750,000 tons averaging $3.58 a ton with $38.50 gold at Dec. 31, 1940, against 652,240 tons of $3.72 grade a year previous. A total of 236,816 tons were milled last year.

The north zone was partially explored for 4,000 ft. by surface drilling. Further drilling will be necessary to establish continuity, it is stated. Both shafts have been connected at the 350 and 725-ft. levels. Ore encountered west of No. 2 shaft at the 350-ft. level has been developed on the 500 and 725-ft. levels with indications of better than average grade. The National Malartic ore zone has been explored at the 725-ft. level with indications it may develop into a zone of considerable merit, it is stated.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Bullion produced	863,970	663,664
Add: Other income	7,815	2,574
Gross income	871,785	666,238
Less: Development	107,847	115,049
Mining	236,996	213,987
Milling	155,543	137,039
Gen. & admin. exp.	88,648	70,315
Interest on loans	6,235	9,735
Marketing	10,229	8,499
Operat. profit	266,287	111,614
Less: Depreciation	66,862	61,409
Development w/o	85,581	80,550
Taxes	43,237	8,246
Net profit	70,607	*38,591
Add: Prev. surplus	142,220	160,728
Adjustment	2,648	20,083
Surplus forward	215,475	142,220
*Loss.		
Earnings per Share and Dividend Record:		
Earned	$0.02	d$0.011
None paid.		
No. of Shs. Outstand.	3,499,021	3,499,021
Working Capital		
Current assets	225,117	167,707
Current liabilities	148,779	208,044
Working capital	76,338	*40,337

*Excess of current liabilities over current assets.

Canadian Malartic

"In ore development Canadian Malartic Gold Mines, has made more progress in 1940 than in any other year of its history," states Thayer Lindsley, president, in the annual report. In view of encouragement at depth, mill capacity is being increased from 775 to 1,000 tons daily at a cost of not over $100,000.

Most important developments were on the boundary ore body and the 708 ore body, according to E. V. Neelands, consulting engineer. The boundary ore body, which runs between the 200 and the 610-ft. horizons, is approximately 200 ft. long and 60 ft. wide. It is estimated to contain 332,600 tons of 0.133 oz. grade ore.

The 708 ore body, occurring mainly below the 875-ft. level, is estimated to contain 745,000 tons of ore of 0.132 oz. grade with much additional low-grade material.

Ore reserves show a large increase totalling 1,704,500 tons of 0.133 oz. grade at Dec. 31, 1940, compared with 1,034,835 tons of 0.148 oz. grade a year previously.

With lower write-offs for preproduction expenses, earnings were higher at 5 cents a share in 1940 against 4.4 cents the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Metal sales	1,151,842	1,089,532
Less: Marketing	13,465	13,532
Net production	1,138,377	1,076,000
Less: Diamond drill.	27,360	18,517
Mine development	149,008	144,540
Mining	246,416	210,433
Milling	161,074	156,088
Mine off. & super.	37,109	35,752
Gen. mine exp.	53,126	41,593
Admin. & gen. exp.	25,597	23,488
Operat. profit	438,687	445,594
Add: Int. & dividends	8,229	3,750
Less: Loss on assets (net)	224	456
Total net income	446,692	448,888
Less: Taxes	67,123	31,284
Depreciation	131,870	123,403
Development w/o	63,245	122,360
Amphi explor. w/o.	......	12,717
Net profit	183,454	159,124
Less: Dividends	292,108	328,622
Deficit for year	108,654	169,498
Add: Prev. deficit	156,549	*12,949
Addit. taxes	7,474	......
Less: Profit on lots	74,362	......
Deficit forward	198,315	156,549
*Surplus.		
Earnings per Share and Dividend Record:		
Earned	$0.05	$0.044
Paid	0.08	0.09
No. of Shs. Outstand.	3,651,355	3,651,355
Working Capital		
Current assets	666,465	550,739
Current liabilities	125,577	81,294
Working capital	540,888	469,445

Cariboo Gold Quartz

While production was narrowly lower in the year ended Jan. 31, 1941, and earnings dropped from 37.1 to 27.2 cents a share, Cariboo Gold Quartz Mining Co. has just completed a satisfactory year, W. B. Burnett, president, states. Mill capacity was enlarged from 300 to 350 tons daily during the year, ore reserves were increased, and the important "B. C. Vein" was cut in the 15-main crosscut.

With capital expenditures totalling approximately $215,000 for the period, working capital of $318,748 at the end of the period was down over $120,000 from the end of the previous year. Besides increasing mill capacity, the power plant was enlarged last year and the St. Laurent mineral claim was purchased.

First enlargement in the mill from 300 to 325 tons daily was placed in effect during the summer with the increase to 350 tons coming on Dec. 30. Further increases will depend on improvements in ore position underground, it is stated.

Probably the most outstanding event during the year was cutting of the "B.C. Vein" in the 15-main crosscut, according to R. R. Rose, managing director. Width and grade intersected, together with the equally encouraging values on the second level in the old B. C. shaft, justify optimism on this vein, he states.

Ore reserves at Jan. 31, 1941, totalled 435,456 tons averaging 0.417 oz. per ton compared with 428,588 tons averaging 0.436 oz. a year previous. The Rainbow zone accounted for 211,105 tons of this reserve. A total of 113,544 tons was milled during the year.

Income and Surplus Account
Years Ended Jan. 31

	1941	1940
	$	$
Bullion receipts	1,688,643	1,707,863
Less: Mineral taxes	29,981	29,923
Ship. & mint. chgs.	21,563	22,592
Min., mill. & devel.	917,321	833,642
Operat. earnings	719,778	821,706
Add: Misc. earnings	4,042	2,117
Less: Admin. & gen. expense	29,313	26,769
Directors' fees	4,000	4,000
Special guards	11,255	......
Net income	679,252	793,054
Less: Depreciation	102,478	93,366
Development w/o	113,544	109,965
Reserve for taxes	100,701	95,158
Net profit	362,529	494,565
Less: Dividends	319,994	279,985
Surplus for year	42,535	214,570
Add: Prev. surplus	758,380	587,512
Less: Empl. bonus, etc.	69,603	43,702
Surplus forward	731,312	758,380
Earnings per Share and Dividend Record:		
Earned	$0.272	$0.371
Paid	0.24	0.21
No. of Shs. Outstand.	1,333,309	1,333,309
Working Capital		
	$	$
Current assets	531,398	607,201
Current liabilities	212,650	165,485
Working capital	318,748	441,716

McKenzie Red Lake

With 2,728 ft. of ore opened up in 1940, compared with 1,045 ft. in 1939, McKenzie Red Lake Gold Mines "greatly exceeded" the footage of ore required to maintain the mine's position last year. Highlight of development work was opening up a new northeast section on the 450- and 650-ft. levels with 416 ft. of ore exposed on the latter level.

With $64,394 more spent on development in 1940 than in 1939, grade of ore dropping from 0.441 oz. to 0.353 oz., and taxes increasing, net profit dropped from $521,989 to $309,882 in 1940. Earnings were equal to 10.6 cents a share against 18 cents.

Concerning the drop in grade of mill feed, W. G. Armstrong, president, states: "The year 1940 was not a normal one so far as ore grade is concerned and it may reasonably be expected that grade of ore going to the mill will be maintained for some time to come at the value established during the six years the mine has been in operation. Ore development the past two years indicates a slightly higher grade than in the years immediately preceding that period."

Advances of $195,666 to McMarmac Red Lake Gold Mines at the end of 1940 have been reduced by $50,000.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Bullion production	1,012,551	1,111,898
Less: Marketing	13,164	16,102
Net production	999,387	1,095,796
Less: Explor. & devel.	146,390	81,995
Mining	210,691	188,640
Milling	84,810	78,386
Gen. & surf. costs	56,296	52,020
Head off. expense	12,541	12,462
Directors' fees	880	1,040
Share transfer exp.	4,927	4,522
Net operat. profit	482,852	676,731
Add: Int. & exchange	1,424	1,837
Invest. income	2,963	1,468
Sundry revenue	523	2,280
Total net revenue	487,762	682,316
Less: Depreciation	68,695	64,606
Taxes	109,185	95,721
Net profit	309,882	521,989
Less: Dividends	351,150	406,000
McMarmac shs. dis.	71,991	......
Surplus for year	*113,259	115,989
Add: Prev. surplus	291,708	159,887
Profit on bonds	659	......
Profit on power line	......	20,811
Adjusts.	1,733	......
Less: Outside explor.	61	4,707
Adjustment	......	272
Surplus forward	180,780	291,708
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.106	$0.18
Paid	*0.144	0.14
*Based on cost of McMarmac shares.		
No. of Shs. Outstand.	2,935,000	2,900,000
Working Capital		
	$	$
Current assets	733,723	751,391
Current liabilities	139,681	116,452
Working capital	594,042	634,939

Gunnar Gold

While earnings of Gunnar Gold Mines declined to 4.7 cents a share in 1940 from 7.7 cents the previous year, working capital was increased over $60,000 to $449,488 or 16.6 cents a share even after paying out 6 cents a share in dividends, the same as in the previous year.

Results of development work in 1940 were rather disappointing, but sufficient encouragement was received on four new deep levels opened up to warrant sinking the shaft to 2,000 ft. with new levels to be at 1,875 and 2,000 ft. depth. Preparations for sinking will be made immediately. Development of No. 2 vein from the 500-ft level to surface will also be undertaken this year.

Ore reserves at Dec. 31, 1940, were somewhat lower, totalling 50,400 tons averaging 0.335 oz. per ton against 64,722 oz. of 0.36 oz. grade. Additional indicated ore was estimated at 10,000 to 15,000 tons in each year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Production	666,845	662,009
Less: Marketing	8,113	8,615
Net production	658,732	653,394
Less: Explor. & devel.	107,474	72,694
Mining	129,403	119,476
Milling	65,618	69,507
Admin. & gen. exp.	93,603	81,800
Operat. profit	262,634	309,917
Add: Sundry revenue	3,973	3,814
Int. & dividends	21,706	10,804
Profits on invests.	13,129	6,998
Net earnings	301,442	331,533
Less: Depreciation	79,029	71,707
Development w/o	63,320	37,184
Taxes	25,752	11,500
Outside explor. w/o	4,561	3,147
Net profit	128,780	207,995
Less: Dividends	162,248	162,248
Surplus for year	*33,468	45,747
Add: Prev. surplus	328,397	281,468
Adjustment	......	1,182
Less: Develop. w/o	63,867	......
Surplus forward	231,062	328,397
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.047	$0.077
Paid	0.06	0.06
No. of Shs. Outstand.	2,704,131	2,704,131
Working Capital		
	$	$
Current assets*	504,027	421,152
Gurrent liabilities	54,539	33,327
Working capital*	449,488	387,825

*Taking securities at book value which was less than market value.

God's Lake Shaft Now Down to 1,650 Ft.

Sinking of the No. 2 shaft of God's Lake Gold Mines has reached a depth of 1,650 ft. where the 11th level station is now being cut. Sinking is being continued to the objective of 1,850 ft., which is expected to be reached by the latter part of May.

Diamond drilling in the No. 2 shaft area has determined location of the contact with ore values encountered on the south side, a factor regarded of importance as ore developments at the No. 1 shaft were on the north side of the contact. A flat drill hole is now being put out eastward toward the No. 1 shaft with a view to finding the ore south of the contact in that direction, it is stated.

Waite Amulet Mines has declared a dividend of 10 cents a share payable June 16, 1941, to shareholders of record May 20. An initial dividend of similar amount was paid July 15, 1940.

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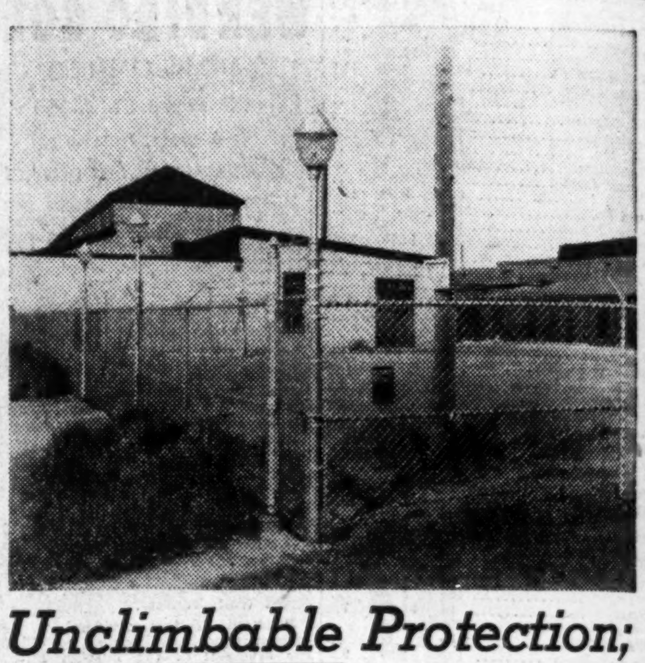

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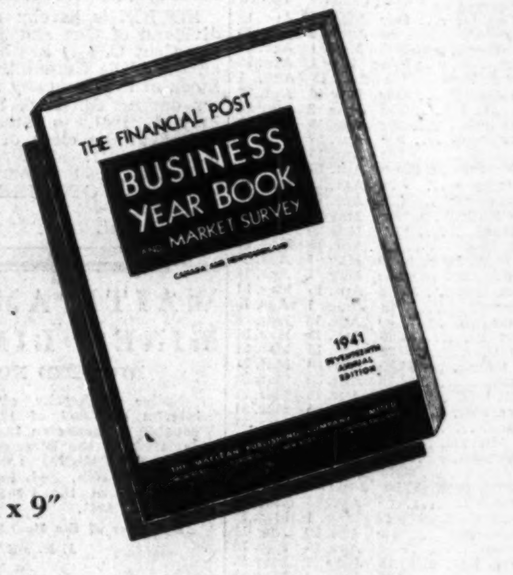

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Fifth Honorable Mention Contest Winner's Choice

This week The Financial Post presents the fifth of the honorable mention portfolios in its contest on "Investing in Canada's Mines." The entry is that of Harold G. Sprott, statistician of F. O'Hearn and Co., Toronto, stockbrokers

As was the case with prize-winning entries and portfolios published here the last four weeks, opinions expressed are those of the writer and do not necessarily represent those of either The Financial Post or the contest judges.

By **HAROLD G. SPROTT**

What should the businessman look for in selecting mining stocks to round out his investment portfolio? The old accepted investment rules still hold, but they must be streamlined to suit the times we live in.

Among the prime considerations are: relative safety of principal; reasonable yield; and reasonable appreciation possibilities.

Investors sometimes overlook other important considerations until commitments are made and it is too late to do anything about it. These include: marketability, timing and management.

Several other considerations arise, peculiar to mining companies, which should be clearly appreciated. Among these are: Anticipated mine life and related problems of amortization; net yield after depletion allowance, etc.; growth possibilities and taxation.

The three prime considerations enumerated above must be viewed in the light of conditions likely to exist over the next few years. Much talk is heard of inflation possibilities and undoubtedly increased costs have already appeared.

Purchasing Power Key

Safety of principal in a period of rising living costs suggests maintenance of the original investment not merely in terms of dollars, but rather in terms of purchasing power.

Yields considered adequate in "normal" times are unsatisfactory if conditions feared materialize. Investors must insist on relatively high returns.

Capital appreciation is in the long run a reflection of a prospective or realized increase in earnings. One must therefore look for expansion possibilities.

Profits on base metals are limited during the war by fixed-price contracts with the British Government. These agreements, covering output above domestic requirements, are subject to adjustment if operating costs rise appreciably, but contract prices are insufficient to encourage heavy capital expenditures for expansion of output. This eliminates base metals as satisfactory investments, even though long-term prospects may be promising. Exceptions may be found in cases where companies have offsetting outside interests.

Raises a Doubt

Wartime market performance of senior golds has been satisfactory so far, but continuation of this favorable condition is open to question. Rising costs (including taxation) have thus far been roughly offset by the 10% premium on gold. But there will be increasing pressure toward rising costs, despite government efforts to keep prices at a reasonable level. This creates a strong possibility that earnings will be "squeezed."

There is a limit to the seniors' ability to raise output without permanently impairing their ore resources. As this prospect of reduced profit margins becomes more evident, price of the shares will tend to decline. This factor eliminates senior golds as satisfactory wartime investments with the exception of those having outside interests from which gradually larger income may be obtained.

Precious metals and "war" metals are interesting speculations, but are usually found either in association with other products of base metal companies, or in raw prospects without established earning power. Possibility of government regulation is also present. They accordingly present hazards to be avoided by investors.

Odds Too Great

Raw prospects make individual fortunes if the choice is right. However, the odds are too great to justify commitments, excepting with "surplus funds you can afford to lose."

Junior golds, with limited underground work behind them, are too youthful for genuine investment, although intriguing as speculations. Mines must show fairly definite indications of commercial ore to reasonable depth before they fall into the "investment" category.

There is no intention to suggest here that people should not buy juniors and prospects. The point is that "investment" funds do not belong in this field.

Virtual elimination of the above groups leaves dividend-paying intermediate gold producers, those with growth possibilities, as the main investment media for the businessman.

The selected list of intermediate golds is: San Antonio, Kerr-Addison and Sigma.

These are supplemented by two older mines whose outside interests go far to offset their own rather limited earnings expansion possibilities. These are: McIntyre and Noranda.

Have Active Market

These stocks are selected in the belief they fulfil all investment requirements. They enjoy an active market. They are representative of the best Canadian mining companies; they are well managed; have sufficient working capital.

Lest it be argued that greater diversification is desirable, the contention here is that individuals cannot exercise adequate supervision over more than 15 or 20 stocks. The businessman already holds a diversified portfolio.

These are representative stocks and should give an "all-round" performance equal to or better than any other small list or any widely diversified list.

The mining properties of these companies should enjoy relatively long life. There is every indication they have not yet approached their peak, and, for the present, none of the income from dividends need be considered a return of capital. Proof of this is found in McIntyre. March 31, 1930, McIntyre reported reserves of about 2,345,000 tons, or about 2.7 years' supply at the 1940 production rate. Ten years later, March 31, 1940, after milling approximately 7,950,000 tons in the intervening period, McIntyre reported reserves of around 4,250,000 tons, or 4.8 years' supply. In the 1940 fiscal year, only 7.4% of total ore hoisted came from below the 3,500-ft. level, although levels have been opened up down to 5,375 feet. Rock structure in the Porcupine camp is very solid, suggesting mineable depths of at least 6,100 feet (lowest level of Teck-Hughes in the Kirkland Lake field).

Conservative

Official figures of estimated reserves may be similarly misleading as in the case of McIntyre. Officials of our better mines are conservative, perhaps too conservative, in this regard. In other words, these mines may have built up hidden reserves. Accordingly, investors may get a truer picture of "minimum" possibilities if they accept unofficial estimates from reliable independent sources really familiar with the general mine picture.

Selects These Stocks For $25,000 Investment

No. Shares	Company	Price When Chosen $	Cost $	Dividend Rate† $	Indicated Yield %	Annual Income $	Price Now $
2,500	San Antonio	2.43	6,070	† .20	7.29	500	2.34
1,700	Kerr-Addison	3.50	5,950	† .30	8.57	510	3.80
630	Sigma	7.95	5,008	† .45	5.66	283	7.25
85	McIntyre	47.50	4,038	3.33	7.01	283	49.50
70	Noranda	55.00	3,850	4.00	7.27	280	55.25
			24,916		7.45	1,856	

†Estimated minimum for 1941.

Classification:	Investment	Anticipated Dividends	Indicated Yield
Gold stocks	$21,066	$1,576	7.48%
Copper-gold stock	$ 3,850	$ 280	7.27%
Total	$24,916	$1,856	7.45%

Uncertainty as to taxation under 1940 Dominion corporation and excess profits tax regulations has been responsible for much of the recent apathy toward stocks. Further uncertainties will arise in connection with the 1941-2 budget. However, the importance of increasing gold output is recognized by the Dominion Government and no action is likely which would discourage production. Taxes on gold mines will probably be left relatively unchanged, or some easing of taxes may be considered. Roughly speaking, gold mines may deduct one third of operating profits as a depletion allowance and are taxed only on two thirds. Kerr-Addison is exempt from corporation taxes until Oct., 1941. Whatever changes are made, golds should receive comparatively favorable treatment.

Briefly, the picture on the five mines is as follows:

San Antonio

San Antonio operated last year at about 330 tons daily, with average recovery around $11.50 per ton, or about $1 greater than the 1939 average. Ore comes from levels down to 1,500 feet. A new shaft has now been completed to 2,500 feet and six new levels will be opened up. Work to date on the bottom level (2,400 feet) indicates widths and values comparing favorably with the general mine average.

A new ore body has been found, one of many similar strong veins occurring throughout the mine, and it is reasonable to assume that companion occurrences will be found below 2,400 feet, which is a comparatively shallow depth when compared with many other Canadian mines.

Enlarged 550- to 600-ton mill will probably be ready late this summer. With larger output and consequent reduced costs, earnings should improve substantially, making possible a dividend increase from the present annual rate of 20 cents a share. Official ore reserves have increased steadily in recent years, amounting to approximately 491,000 tons at the end of 1939. Addition of new ore above 1,500 ft. in 1940, plus indications on new lower levels, suggest at least eight years' supply for a 600-ton mill down to 2,400 feet. Many subsidiary veins have not yet been touched and there is still much virgin ground to be explored.

Kerr-Addison

Kerr-Addison is a "big" mine in the making. Operating at 1,200 tons daily, it is likely to show net profits of around 30 or 32 cents a share for 1940. Step-up in mill capacity to 1,800 tons in February will likely bring earnings up to 45 or 50 cents a share for 1941. Dividend payments of five cents every two months are anticipated. Developments since last spring have added to ore reserves at a rate bordering on the sensational and it is believed six years' ore supply for an 1,800-ton mill has been fairly clearly defined down to 1,450 feet.

Much of this ore is on five new levels below 850 feet and there still remain many sections of the large property, even above this level, which are regarded as promising ground from drilling indications. A long-range programme providing for opening another 10 levels will probably get under way in the second quarter of 1941. Roughly speaking, net profits of at least $2 per ton may be expected from approximately 10 million tons presently indicated, of which over 5 million tons are in sight or blocked out. This suggests substantial "break-up" value for the shares, without allowing for the many unexplored sections of the property. Further increases in mill capacity are not unlikely. Outstanding shares number 4,730,301.

Sigma is controlled by Dome Mines which owns approximately 60% of the 1 million shares outstanding. Although 16 levels have been developed, very little ore has been taken below the fourth, so that a long and profitable future is assured on ore already outlined. Substantial sums having been spent on advance development, future costs should be reduced. At the end of 1939, official ore reserves, down to the eighth level only, were estimated at 704,400 tons in place, grading $8.19 (gold at $38.50) and an additional 172,500 tons of ungraded broken ore.

Recovery has been close to average grade of reserves, and a milling rate of about 750 tons daily gives an annual profit of approximately 80 cents a share. Capacity is now being stepped up to 1,000 tons daily, which should increase earnings by 20% or 25%. Ore occurs in nine parallel veins with important cross-shoots spreading out from all the ore zones.

McIntyre Porcupine has long been recognized as one of Canada's outstanding senior golds. At the present deepest level, 5,375 feet, the mine shows no signs of bottoming. Operating at 2,400 tons daily, net profit has been fairly well stabilized at around $4.25 to $4.50 per share. Current annual dividend rate of $2.22, plus a calendar-year extra of $1.11 is well covered and the annual surplus available for outside investment allows the company to participate in other enterprises with expansion possibilities.

Outside investments on March 31, 1940, consisted of government bonds with market value of approximately $9 millions and other marketable securities with market value of about $9.1 millions. The latter consist largely of shares in prominent United States industrial companies, and the purchaser of McIntyre shares is enabled thereby to participate indirectly in earnings of these companies, a privilege otherwise denied him under Foreign Exchange Control Board regulations. As indicated above, McIntyre's ore reserves, as published, have steadily increased. "Break-up" values of the shares is regarded as being well in excess of the top market price of $59⅝ reached at one point in 1939. There are 798,000 shares outstanding.

Noranda Mines

Noranda Mines should establish a new record for total income in 1940 and net profits will likely be only slightly lower than the record $4.98 a share earned in 1939, in spite of doubled taxes. In the first nine months of 1940 miscellaneous earnings increased to $1.8 million, an improvement of $500,000 over the corresponding period of 1939. This was an important offset to the tax increase of $810,000. Earnings from outside sources will likely increase over the next year or two, with the probability of large dividends from Waite-Amulet, Kerr-Addison, and commencement of a return of the company's investment in Empresa Minera Mine (Nicaragua). Another Noranda interest, Aunor Gold Mines, has stepped up its operating rate and may expand farther, paving the way for larger earnings and the payment of dividends. Hallnor and Compania Minera La India (Nicaragua), both dividend payers, may be able to increase their earnings and disbursements.

Noranda is reported considering production plans for two new gold propositions in Canada. At the Horne Mine development of upper horizons continues to replace practically all tonnage mined and proved ore reserves remain at around 15 years' supply, exclusive of substantial semi-proved or partially developed tonnages. It is believed developments at depth have been as favorable as at any other point in the mine and long life seems assured. Without considering its numerous raw prospects, it appears that Noranda's present outside interests provide possibilities of maintenance of earnings well above current dividend requirements of $4 a share. This factor, on top of the undoubted merit of the Horne Mine and Noranda's strong working capital position, makes the stock attractive as an investment. Outstanding capital is 2,239,772 shares.

Timing is Vital

"Timing" of a mining investment operates in two ways. (1) Purchase is desirable at a time when earnings and possibly dividends show signs of increasing within a reasonable period. (2) The general market must be studied to see whether immediate purchase is desirable, or whether there is point to delaying part or all of contemplated commitments because of a currently downward general trend.

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Mining Enquiries

Lake Shore

Will Lake Shore Mines have to abandon a large part of its ore reserves due to rock bursts encountered in operations? How serious does the situation seem to be?

There has been no suggestion as far as we know that Lake Shore Mines will have to abandon a large portion of its ore reserves on account of rock bursts. Of course, as still greater depths are reached and if rock bursts become more acute, mining of certain blocks of ore may have to be abandoned. However, all mines face difficult mining problems when operating at very great depth.

Mining at Lake Shore involves not abandoning of ore reserves but introduction of new mining methods which minimize importance of rock bursts. Ore is taken out in such a way that when rock bursts do occur, their repercussions are not so serious. Somewhat higher costs are caused by what may be called safer mining methods, however.

One step taken to minimize the importance of rock bursts has been a reduction in the milling rate. The reduced milling rate now in effect means that available ore reserves will last just that much longer.

Uchi Gold

What has happened to Uchi Gold Mines that the stock is selling at such a low price?

Uchi Gold Mines has had a difficult time measuring up to pre-production expectations but the management is making a valiant attempt to put the mine "over the top." With average grade of ore running lower than anticipated, the management has turned to treatment to a larger tonnage of ore in order to establish a margin of operating profit sufficient to allow retirement of a $1 million bond issue by the end of the current year. Expansion of mill capacity and acquisition of subsidiary operations, which are proving valuable ore sources, have involved considerable outlay and approximately $350,000 is at present owing to J. E. Hammell.

Fifty per cent of operating profit is earmarked as a sinking fund on the bond issue. Considerable sums have apparently been paid in under this sinking fund but details are not available.

Of course, a sharp increase in production could make all the difference. It is not planned to issue the company's annual report for some time yet until a complete resurvey of the company's operations is possible. What this survey will show will undoubtedly have an important bearing on future policy.

Anglo-Canadian

What is the position of Anglo-Canadian Oil Co. at the present time? Does the company seem to be doing well?

There are two bright spots in the position of Anglo-Canadian Oil Co. at the present time. With drilling at record levels in Turner Valley, the company's subsidiary, Drilling Contractors Ltd., is understood to have been realizing substantial profits. This is evidenced by retirement of $220,000 of 5½% first mortgage bonds last January.

Proving up the Princess-Steveville area was of considerable importance to Anglo-Canadian as the company has a substantial interest in acreage in this area. Steveville Oil Co. has been formed to take over the ground and a new well is being put down to see if commercial production can be obtained.

Anglo-Canadian, of course, receives considerable income from Turner Valley wells and further wells are being drilled to maintain this income. Capital expenditures have not been large recently, however, and an initial dividend of 4 cents a share has been declared, payable May 1.

Home Oil

What are the holdings of Home Oil Co. in various fields in Alberta? How much can be considered as proved oil land? Have any royalties been issued on Turner Valley wells?

Home Oil Co. holds a total of 11,200 acres in the Turner Valley field and 63,493 acres on the Brazeau structure to the north in Alberta.

Under present regulations, the company can drill one well for 40 acres in the Turner Valley field. How much of the Turner Valley acreage will be productive depends on two factors: The extent to which the Turner Valley field can be extended still farther northward; and the width and direction taken by any northern extension.

It appears that Home has drilling sites for perhaps as many as 25 to 50 good wells if structure runs through the company's property, as it appears to. Of course, if future development is favorable, a very large number of drilling sites may be proved up.

No oil royalties have been sold **based on Home wells as far as is known. However, a 12½% gross royalty is payable on 5,280 acres of land leased from the C. P. R. and a 10% gross royalty is payable on 5,920 acres to the Alberta Government. Some wells have been drilled on Government land, some on C. P. R. acreage.**

New Mines Aid To Noranda

Regular Dividends Anticipated From 5 Subsidiaries, President States

Revenue from subsidiary enterprises has become a very important factor in the position of Noranda Mines with the company now looking forward to regular dividends from five subsidiaries, J. Y. Murdoch, president, informed shareholders at the annual meeting last week.

Dividend income from subsidiaries—which reached 78 cents a share in 1940—is expected to show a still further increase in 1941. Aunor has joined the ranks of the dividend payers this year, bringing dividend-paying mines to five. Pamour commenced dividends in 1938, Hallnor in 1939 and Waite Amulet and La India in 1940.

Empresa Nears Production

It is expected the 200-ton mill of Empresa Minera de Nicaragua—a subsidiary of Noranda's Compania Minera La India—will be in production June 1. La India is financing this new enterprise out of earnings and in due course is expected to receive substantial dividends on its investment. A total of $20 a share was paid by La India in dividends in 1940 (in U. S. funds) with Noranda's share amounting to $140,000.

Commenting on operations at the Noranda Horne mine, Mr. Murdoch stated that shipments of flotation pyrite concentrate were continued throughout 1941 with negotiations now under way for sale of additional quantities of this material. Pyrite being sold is by-product material which was formerly wasted. It is expected use of pyritic ore will become increasingly important and will benefit the national balance of trade, since shipments will be made to the United States. Some will be treated to replace importation of sulphur.

Aim To Aid Country

Desire to aid Canada's foreign exchange position and the wish to build up Canadian industry and employment prompted financing of Canada China Clay Ltd., Mr. Murdoch revealed. Every new mining project is considered on the same basis, he said.

Earnings for the first quarter of this year were approximately $1.12 a share compared with $1.11 the corresponding period of 1940. An interim dividend of $1. a share declared payable June 16 to shareholders of record May 20 will bring total dividends to $30.06 a share, or a total distribution of some $67,336,000.

Noranda's shareholders increased to slightly over 16,000 in 1940. About 78% of these are in Canada, while 18% reside in the United States. On a share basis, 61% of the company's stock is held in Canada, 35% in the United States and 4% in other countries.

Oil Royalty Marketing Detailed By Commission

Before an investor is allowed to purchase an oil royalty in Ontario he must now be supplied with a printed information sheet setting forth the position of the oil royalty up to at least three months previous, the Ontario Securities Commission announces. This now applies to royalties on drilling wells besides the producing wells which were covered previously.

Registration fee for permission to market an oil royalty in Ontario was formerly $10 for three months. This has been changed to $25 fee without any limitation for time.

Altogether permission has been granted in Ontario for sale of oil royalties based on 23 producing wells. These are as follows:

Well:	Royalty type
Alberta Oil Income No. 1	Net pref.
Alberta Oil Income No. 1	Gross
Alberta Oil Incomes No. 2	Net pref.
Alberta Oil Incomes No. 2	Gross
Allied Royalties No. 1	Net pref.
Arrow Oils No. 1	Net
Arrow Oils No. 2	Net
Brown No. 2	Gross
Crest Royalties	Net pref.
D. & D. Royalties	Net pref.
Davies Petroleum No. 1	Gross
Davies Petroleum No. 4	Net pref.
Deep Oils No. 1	Gross
Frontier No. 1	Gross
Harris No. 2	Gross
Harris No. 2	Net pref.
Royal Canadian No. 1	Gross
Royal Canadian No. 2	Gross
Sunset No. 1	Gross
Sunset No. 2	Gross
United Brown No. 5	Gross
Vulcan-Brown No. 1	Gross
Vulcan-Brown No. 1	Net pref.
Winalata No. 1	Net pref.
York No. 1	Gross
York No. 2	Gross

Regulations governing sale of royalties on drilling wells have been changed. These wells have at times been sold at prices in excess of the maximum price fixed by the registrar of the province in which the well is located. Henceforth, royalties based on drilling wells must not be traded in Ontario prior to completion of a well at prices which exceed maximum prices set by the commission. Some royalty dealers are understood to favor a slightly higher price for a drilling royalty as a well nears completion and production draws closer but the Ontario Securities Commission apparently feels that speculation in royalties on uncompleted wells is undesirable.

Royalties on drilling wells which may be sold in Ontario and maximum prices at which they may be sold are as follows:

Well:	Royalty type	Max. price to public
Atlas-Brit. Dom. No. 2	Net pref.	$4,000
Atlas Royalties No. 1	Net pref.	4,375
Clear Oils No. 1	"A" pref.	1,375
Conestoga No. 1	Net pref.	1,500
Davies No. 5 Roy. Trust	Net pref.	4,000
Harris No. 3 Class A	Net pref.	3,750
Independent Royalties	Net pref.	4,000
Miracle Royalties No. 1	Net pref.	4,050
Major Oil No. 1	Net pref.	4,050
Major Oil No. 2	Net pref.	4,050
Major Oil No. 3	Net pref.	4,050
Okalta Oils No. 10	Net pref.	3,750
Renown Royalties	Net pref.	4,250
Sentinel Oils Class A	Net pref.	3,500
Vermilata-Frankview No. 2	Gross	
West. Drillin-Twin R.	Gross No. 4	1,500

Sigma Mines (Quebec) showed an increase in production for March:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
March	31,804	1,026	7.76	246,689
February	28,607	1,022	7.80	223,178

Commodity Prices Begin Inflationary Pattern

From Our Own Correspondent

OTTAWA.—With many inflationary factors already active Canada is already moving into the testing time of price controls, as the symptoms of rapid economic expansion begin to appear.

Sugar has gone up one cent a pound, forced by Government action in advance of the budget to forestall profiteering on an expected budgetary increase of the excise tax from one to two cents.

Instead of permitting normal summer prices to prevail in butter retailing, the Government within a few weeks will peg butter prices at a minimum level expected to be, in the light of producers' request, around 30 cents a pound, of wholesale solids at Montreal.

With the new cheese agreement with the British Ministry of Food going into effect April 1, the price of cheese for export went up one cent, with the domestic price reflecting the change. The old price of 14 cents a pound has been replaced by a new price of 14.4 cents paid by the British, and an added .6 cents by the Canadian Government.

At the same time, increased costs in countries of production have made themselves felt in the Canadian price of coffee, which advanced three to four cents a pound on ground coffee in cans.

These are the symptoms of price trends in Canada, arising from the new financial conditions reflected in the budget which will divert between 40 and 50% of the nation's production to war purposes.

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Applies 'Bank Line' to Commodity Prices

In accord with long-established policy, The Financial Post does not sponsor any investments nor any particular investment "method." But The Post herewith presents a fourth article by E. G. Bulmer, Toronto investment dealer, as newsworthy for investors, the same as discussions of the Dow theory or other investing theories which have gained some general recognition are newsworthy.

By E. G. BULMER

So widespread is the effect of commodity prices on business earnings that their changing prices are of real significance not only to those who are intimately connected with their purchase, sale and manufacture into consumer goods, but also to every businessman and investor.

For this reason I maintain moving average charts on commodities for use as a guide to determine their trends. To some extent the trend of commodity prices indicates the expansion and contraction of earnings and buying power. But it is also apparent from a comparison of their market action with the action of the Composite Bank Line that they, too, are governed by the expansion and contraction of underlying economic factors.

In the article last week I pointed out that all stocks do not rise or fall at the same time. The same is true of commodity prices. It is necessary, therefore, to maintain individual charts for commodities. The three charts reproduced herewith represent the Friday night closing price from the New York Commodity Exchange in the case of hides and cocoa and the Winnipeg Grain Exchange in the case of wheat. Against these prices I have plotted moving averages similar to those used for individual stocks.

"Futures" are contracts to purchase given amounts on fixed dates in the future at agreed prices. In the case of hides the unit is 40,000 pounds; for cocoa 30,000 pounds; and for wheat 1,000 bushels. These contracts are bought and sold on recognized markets in much the same way as stocks are traded.

Use Bank Line, Too

The Composite Bank Line should be used as a guide to the general trend and when it indicates a change in the trend and has run either upward or downward long enough (eight weeks) to establish that new trend, the investor or businessman interested in commodities should prepare to take action. A sale is indicated when the price line penetrates to the lower side of the trend line and a purchase when the price line breaks through the trend line to the top side.

While it is realized that on an indication to sell, manufacturers could not liquidate their entire inventory, part of which would be in the process of manufacture, at least purchases could be reduced to the minimum requirements and the short sale of futures utilized to cushion inventory losses. When the converse occurs and a buying signal given, substantial purchases could be made and futures bought as further protection against the rising prices of raw materials.

Let us take a hypothetical case of a sole leather manufacturer who is processing 1,000 hides per day. It would seem reasonable to assume he would have on hand about eight months' inventory broken up as follows: two months' supply of raw hides, four months' supply in the process of being tanned and two months' supply finished. Taking the average weight per hide at 50 pounds, his inventory would approximate some 9.6 million pounds of hides at all times in order to ensure the steady flow of business. In dollars this would represent his original cost per pound plus approximately 10c. per pound cost of processing. Since a hide future contract calls for 40,000 pounds, his normal inventory in terms of futures would be measured by 240 contracts. Looking at the chart on hides his inventory had a value of $2,650,000 April of 1937 and one year later in April, 1938, the value had shrunk to $1.7 million, a loss of over $900,000.

Would Save $580,000

If he had sold 240 contracts, the equivalent of his inventory, when the price of hides dropped ½ cent below its trend line, at 15.87 cents in Sept., 1937, and repurchased them at 9.70c. in June, 1938, his inventory loss would have been reduced some $580,000 to $320,000. The drop in Feb, 1939, would just about have worked out even, but in the drop of March, 1940, a saving of 2½c. per pound would have helped to offset part of the 7-2/3c. drop from the high in Oct., 1939, to the low in Aug., 1940.

At the present time the trend line is at 12.40 and is advancing rapidly. Each week that goes by should see the trend line getting closer to the actual price level so that the next indication to sell should again be at higher levels.

An investor trading hide futures over the period recorded by the chart, and allowing ½c. penetration of the trend line before acting, would have made seven sales and seven purchases with a gain of 11.06 cents per pound or approximately $3,900 per contract. He would be holding futures bought at 11.30 and the advancing trend line would be increasing his margin of eventual profit.

Big Saving in Cocoa

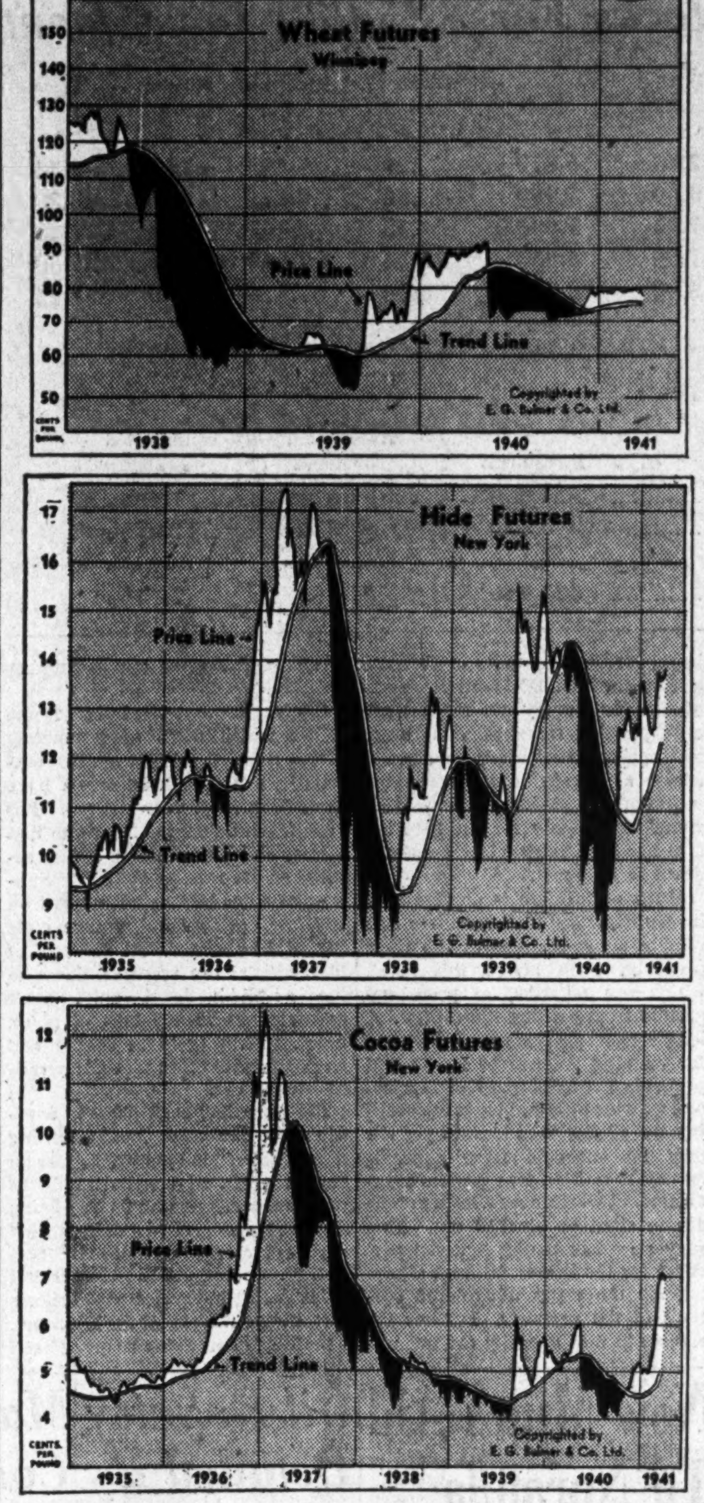
Trading in cocoa on the above basis of ½ cent penetration before acting would have necessitated three purchases and two sales with a gain of $2,228 per contract. He would be long cocoa at 5c. per pound and the rising trend line should soon protect this last buying level.

There have been three purchases and three sales in Winnipeg wheat from 1938 to date, allowing 2½c. penetration of the trend line, with a gain of $665 per 1,000 bushel contract and the holder would now be long wheat at 75c. per bushel. The trend line is gradually moving higher so that a loss of 2¾c. per bushel is all that he could experience, including brokerage, should wheat drop below its trend line.

What is true of the commodities illustrated is equally true of others we chart and it is of interest to note that by following the procedure outlined, while at times small losses must be taken, over a period of time the results on all of them have shown a substantial profit.

Under present world conditions with the increasing demands in the form of taxes, donations, rising costs, etc., the preservation and increase of capital is even more important now than in normal times.

If the investing of money, whether in business or securities is predicated on the headlines, current rumors and wishful thinking, the results will be sorry indeed. On the other hand, by adhering to fundamentals, results can be exceedingly gratifying even during the present troublesome times.



Illustrated here are three applications of the Bulmer investment method to commodities. In each case Mr. Bulmer uses the Friday closing price for the future which is nearest to maturity. He applies his moving average method to determine the price trend. Shaded areas in the charts are periods when protection against declining price trends was indicated by his methods.

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Investors Dislike Seaway But Not Unduly Alarmed

Early selling of shares of Montreal Light, Heat & Power and Beauharnois Light, Heat & Power following announcement of the agreement on the St. Lawrence Seaway Plan was due to dislike of the proposals rather than alarm, according to a recent bulletin by Greenshields & Co., Montreal.

Announcement that a province which has kept fairly clear of public ownership schemes was going to embark on electric power business in a large way seems bound to bring some nervous selling. In the circumstances, however, the decline could be considered relatively small, Greenshields & Co. states.

"We can give no answer to questions we are being asked as to whether higher or lower prices are in prospect for Beauharnois," the pamphlet states. "As and when the company may be taken over by the province, it may be reasoned that the obligations of the company will be assumed by the province and that the price to be paid for the equity will be reached either by mutual agreement or by expropriation proceedings. There is no basis on which even a guess can now be made as to whether the price will represent more or less for the common shareholders than the current quotations. On the general theory that Quebec's record is one of fair dealing with investors, our recommendation to Beauharnois shareholders is to stand pat and await developments."

No Threat to Dividend

While the deal cannot be considered bullish on Montreal Power shares, yet it does not imply any threat to the dividends, states this review. Apparently the province is going to go into ownership of hydro-electric power as a wholesaler, not a retailer. This would leave Montreal Light, Heat & Power able to continue to earn on the retail distribution of the power about the same margin of profit as it is currently making.

An unfortunate prospect is that the Government's proposal apparently will take away from Montreal Power an asset which has been carefully nurtured through a difficult period when perhaps it was only Montreal Power's great financial strength that saved the enterprise from collapse.

To date, states Greenshields and Co., Montreal Power has derived no direct benefit from its sponsorship of Beauharnois except perhaps to the extent that control was assured to the parent company of a generous supply of energy and satisfactory rates. "The equity itself made no return to the owner. For the future, however, the ownership of the equity had great possibilities and the time seemed to be coming into view when a direct return to the owners would be derived from Beauharnois' wholesale operations in the power field."

Effect on Wholesalers

Effect on Shawinigan Water & Power is far from clear. At present Shawinigan is the principal wholesaler of power in Quebec and it now faces the prospect of having the Government as a competitor.

"The effects of such competition, however, are likely to be slow in developing. It has taken Shawinigan 40 years to build up its vast transmission system. It can be doubted whether the Government will be anxious to duplicate the Shawinigan transmission system and even if it did the effort would take many years."

Absence of unfavorable reaction in the price of bonds of Gatineau Power and Maclaren-Quebec Power is commented upon. These companies are large sellers of power to the Hydro-Electric Power Commission of Ontario and a vast surplus of electrical energy seems in prospect for that Province when the new seaway development is completed, Greenshields & Co. feels.

"Having in mind that the Ontario Government did not hesitate a few years ago to break what seemed iron-clad contracts with the Quebec power companies, investors might well be uneasy as to the possible effect five years or so hence of Ontario owning more power than it can use and at the same time having contracts with the Quebec companies."

Hinde & Dauch Volume Reduced in Quarter

In a letter accompanying the current dividend cheques, L. F. Winchell, vice-president and general manager of Hinde & Dauch Paper Co. of Canada, states that while the plants have been reasonably busy during the first quarter, operations were not at capacity in either the paperboard or box divisions. There was a slight decrease in tonnage output as compared with 1940. Some improvement appeared at the end of the quarter.

Plant improvements have been completed, and will enable the company to take fullest advantage of any heavier demands which may materialize.

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